

Monthly Progress Report

Amadablam Mini Hydro Subproject (911 kW)

Khumbu Pasanglhamu Rural Municipality, Ward No. 4

Solukhumbu, Nepal

Submitted To:

Alternative Energy Promotion Centre (AEPC)

Mini Grid Energy Access Project (MGEAP)

Central Renewable Energy Fund (CREF)

Siddhartha Bank Limited (SBL)

Khumbu Pasanglhamu Rural Municipality (KPLRM)

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July 2026



Monthly Progress Report of July 2026

1. Executive Summary

1.1 Brief Overview of the Project

Amadablam Mini Hydro Pvt. Ltd, Tilganga -8, Kathmandu, an Energy Sector Company (ESCO) intends to implement Amadablam Mini Hydro Subproject in Khumbu Pasanglhamu Rural Municipality-4, Solukhumbu district in Koshi Province, as a business /PPP model through technical and discussion in financial support of Government of Nepal and the World Bank through AEPC/MGEAP. The sub-project is in Sagarmatha National Park which lies on the trekking trail of Everest Base Camp which is one of the most popular tourist areas of Nepal. ESCO intended to provide electricity to households and other energy users such as Anchors/Business and Community. ESCO will be responsible for development, operation, maintenance, and management of the mini hydro plant. They will be functioning as a service provider and owner of the subproject.

Amadablam Mini Hydro Pvt. was changed to a public limited in 10th October 2023. This was done to facilitate the process of PPP model with Khumbu Pasanglhamu Rural Municipality. At present there are seven number of shareholders in the company, which also includes Beyul Hydro investment Pvt. Ltd. The office of Amadablam Mini Hydro Limited was located in Kapan, Nilopul, Kathmandu. Office location has been recently changed to Chandol, Kathmandu. The subproject is to be implemented as a business model through the technical and financial support of the Government of Nepal and the World Bank through AEPC/MGEAP. Furthermore, the subproject is supported by Foreign, Commonwealth and Development Office (FCDO) through AEPC/NREP.

Amadablam Mini Hydro Project is a run of the river type (RoR) scheme located in ward no-4 of Khumbu Pasanglhamu Rural Municipality of Solukhumbu district. The project is located inside the core region of Sagarmatha National Park. The project utilizes water diverted from Cholunche Khola to generate 911 kW power. The design flow of the project is 250 lps and gross head is 471.87 m. Cholunche Khola is a perennial river which flows from the Himalaya peak on the Northern side of Solukhumbu district and is a tributary of the Imja River. The project site is located near Pangboche village of Solukhumbu district. The boundary coordinates of the project lie between latitude 27° 50' 50" N and 27° 51' 40" N and longitude 86° 47' 49" E and 86° 49' 19" E. The proposed intake site is located at 27°50'56.52"N, 86°49'6.15"E and an elevation of 4422 amsl. The powerhouse site is located at 27° 51 '12.98"N, 86° 47' 49.21"E and an elevation of 3951.18 amsl. The project will be serving 451 households.



Project Financials:

SN	Source of Fund	Amount (NRs.)
1	AEPC	
1.1	Subsidy (MGEAP)	128,307,000.00
1.2	VGF Support (SECF)	170,050,000.00
2	Loan from Partner Bank (Siddhartha Bank)	150,000,000.00
3	Equity of ESCO	90,544,638.89
4	Investment of RM	80,000,000.00
	Total Subproject Cost (1+2+3)	618,901,638.89

1.2 Summary of key accomplishments to date

1.2.1 Agreements between Stakeholders

ESCO and RM:

First agreement : 1st January 2024

First Amendment : 12th February 2025

Second Amendment : 15th April 2025

AEPC and ESCO: : 29th March 2024

ESCO and Partner Bank:

Syndicated Credit Facilities Agreement : 7th January 2024

Supplementary Credit Facilities Agreement : 22th April 2025



1.2.2 Procurement/Contract Signing

During this month, procurement of manual hoist crane has been processed through best commercial practice. Procurement of tools and equipment required for installation, testing and commissioning has been processed. Some components of the powerhouse electrical system need to be procured and planned for the coming months.

Procurement of LT joining kits have also been initiated during this week.

1.3 Key Challenges Encountered and Solutions Implemented

T&D contractor has shown some reluctance in work progress due to financial issues. Rocks and big boulders along the penstock alignment have hindered the smooth work progress. Uncertain weather conditions including monsoon have disturbed the work to some extent.

2. Work Progress Overview

Civil works have been taking some shape with the completion of concreting of plinth beam works at the power house, comprehensive excavation works along the penstock alignment, started construction of saddle support, and resumed the works at the intake area. The HM contractor has started welding penstock pipes and aligned 125 pipes so far. The EM contractor has sent the packaging lists that have been shipped to the India port and the container has arrived on 7th July 2026.

2.1 Activities

2.1.1 Human Resource Management

AMHL has completed the fulfillment of human resources required for the project completion. Issues related to the HRM are being discussed during the monthly staff meeting.

2.1.2 Meetings and Events

A. Meeting with the Electro-Mechanical Contractor

A virtual meeting was held with Poseidon S.A. on 27 July 2026, in the presence of Clean Power Pvt. Ltd., to discuss the switchyard design and clarify several issues related to the Single Line Diagram (SLD) previously submitted by the Electro-Mechanical (EM) Contractor.

One of the key discussions concerned the location of the Vacuum Circuit Breaker (VCB). It was proposed that the VCB be relocated from the control room to the outdoor switchyard. However,



The image shows a circular official stamp of the Tamil Nadu Sahakarana Nigam (TNSN). The text around the border of the stamp reads "Tamil Nadu Sahakarana Nigam" at the top and "Tamil Nadu Sahakarana Nigam" at the bottom. In the center of the stamp, there is a logo featuring a bird (possibly a peacock) and the text "Tamil Nadu Sahakarana Nigam". Below the stamp, there is a handwritten signature in blue ink that appears to read "S. Mahalingam".

the EM Contractor advised against this proposal, explaining that the VCBs are an integral part of the medium-voltage switchgear panels and are designed for indoor installation. It was further emphasized that, considering the high moisture content in the atmosphere, low ambient temperatures, and harsh weather conditions at the project site, the VCBs should remain inside the control room as originally designed to ensure reliable operation, minimize maintenance requirements, and protect the equipment from environmental exposure. The meeting also addressed and clarified several queries related to the cable trench layout and machine foundation requirements for the powerhouse civil works. These clarifications will enable the civil works to proceed in accordance with the finalized electro-mechanical interfaces.

Furthermore, the EM Contractor agreed to provide all necessary drawings, details, and technical information required for the switchyard and to closely coordinate with Clean Power Pvt. Ltd. during the detailed design and construction stages to ensure proper implementation of the switchyard layout and associated interfaces.

B. Weekly Meeting with Contractors

A weekly meeting has been conducted on every Fridays among the AEPC, AMHL and the representatives of the contractor to discuss the work progress, work plan and issues related to project development. During this month meetings were held on 3rd, 10th, 17th, 24th and 31st July.

2.2 Summary of Completed and Ongoing Tasks

Work Category	Physical Progress (%)
Civil Works	29
Hydro-mechanical Works	62
Electro-mechanical Works	68
Transmission & Distribution Works	21

Weighted Average Overall Physical Progress: **45.24%**

2.2.1 Civil Works

a. Headworks Construction and Material Mobilization

The work for the construction of headworks or diversion works are currently paused since mid of July as the monsoon has started and the discharge of Cholunche river is remarkably large. The



work at head works is likely to be resumed after 1st week of August. Although the construction work is halted, a good amount of construction materials are stocked at site.

b. Intake and Gravel Trap

The construction work has been halted due to monsoon and weather conditions at the intake site since mid of July.

Until the middle of July, the left bank upstream flood wall has been started to construct, also excavation for the left bank downstream flood wall and Side intake is completed. The cutoff wall for intake and undersluice structure is completed. The excavation & soling work for the mid portion of Undersluice structure is completed. The PCC base of Undersluice gate is completed. As for the Gravel Trap, the construction is completed and the excavation of spillway channel and flushing canal is completed.

c. Desanding Basin cum Forebay

All the panels and necessary walls and structures of the desanding basin cum forebay are completed. The bellmouth is fixed with proper line and level. All the remaining reinforcement work is completed. The final level concrete casting for the bellmouth wall remains for the completion of Desander structure.

d. Penstock Pipe Alignment and Excavation

A group of 10 laborers are continuously working for the excavation work of penstock pipe alignment. They have been given clear guidance about alignment of the Penstock Pipe and location of anchorage block. Only 600 m length is remaining for excavation for penstock alignment. As proper clearance is still needed to reach pipe bottom level at a certain length of excavated alignment 8 numbers of laborers are working at those sections of alignment.

e. Powerhouse Construction

The substructure works of the powerhouse are completed. The earthing mat is installed completely. All the plinth beams and slabs are casted. The cable trenches are being constructed at generation room to control room. The outside tailrace canal is completed at the upper section, only the lower 20m section at discharge point remains. The barbending work for Machine foundation is started and the shuttering works for columns are going on.



2.2.2 Hydro-Mechanical Works

During the reporting month, hydro-mechanical works continued to make steady progress despite several site constraints. As of the reporting date, a total of 105 penstock pipes (15.75 mm thickness) have been laid and installed. The installation status is summarized below:

- Between the Bifurcation and Anchor Block (AB) 57: 8 penstock pipes have been installed, aligned to the required line and level, and fit-up completed.
- Between Anchor Block AB57 and AB56: 3 penstock pipes have been installed, aligned, and fit-up completed.
- Between Anchor Block AB54 and AB54B: 13 penstock pipes have been installed, of which 12 have been aligned and fit-up completed.
- Between Anchor Block AB54B and AB55: 14 penstock pipes have been installed, aligned, and fit-up completed.
- Between Anchor Block AB52 and AB53: 23 penstock pipes have been installed, of which 22 have been aligned and fit-up completed.
- Between Anchor Block AB51 and AB52: 25 penstock pipes have been installed, aligned, and fit-up completed.
- Between Anchor Block AB54 and AB53: 20 penstock pipes have been installed and fit-up completed.

Although installation activities progressed throughout the month, the overall rate of penstock installation was slower than planned due to delays in trench and alignment clearance from the civil works. Since the hydro-mechanical installation is dependent on the timely completion of excavation, trimming, and foundation preparation by the civil contractor, progress was affected in several sections of the pipeline alignment.

During the Joint Weekly Progress Meeting held on 24 July 2026, this issue was formally raised with the civil contractor. The contractor was instructed to mobilise additional manpower and resources to expedite excavation, trench preparation, and alignment clearance to ensure uninterrupted progress of penstock installation.

Furthermore, site inspections identified the presence of several large boulders along the pipeline alignment between Anchor Block AB49 and AB37. The clearance of these boulders and completion of trench excavation in this section are expected to require additional time. To minimise delays to the overall project schedule, AMHL, in coordination with the hydro-mechanical contractor, has agreed to temporarily bypass this section and proceed with penstock installation between Anchor Block AB37 and Anchor Block AB24. This revised sequence of work



will allow installation activities to continue while excavation and trench clearance are completed in the affected section, thereby maintaining overall construction momentum and reducing the impact on the project schedule.

2.2.3 Electro-Mechanical Works

Based on the latest shipping information, the vessel has been discharged at the Port of Kolkata, 7 July 2026. To facilitate the import process, AMHL has completed the Customs Clearance and Forwarding Services Agreement with Shreenagar Customs Clearing Agency on 28 June 2026, ensuring that all necessary customs clearance and logistics arrangements are in place prior to the arrival of the equipment.

AMHL is also coordinating closely with the supplier regarding the processing of the Third Payment, which is payable upon acceptance of the Factory Acceptance Test (FAT). The required payment documents have been forwarded to Siddhartha Bank Limited after reviewing by the intermediary bank, Commerzbank. AMHL has been coordinating with the stakeholders for the payment process.

Furthermore, on 24 June 2026, the Electro-Mechanical (EM) Contractor submitted a request for the preparation and availability of the tools and equipment required during the installation phase and AMHL has reviewed and initiated the quotation process and proceed with the procurement of the approved tools to ensure timely mobilization and uninterrupted installation activities.

2.2.4 Transmission & Distribution Works

During the reporting month of July 2026, despite the technical approvals granted by Amadablam Mini Hydro Limited (AMHL) for the Pole General Technical Particulars (GTP), Distribution Transformers, Prepayment Energy Metering System, and the subsequent submission of the respective supply contract agreements by the Contractor, no significant progress was observed in the actual procurement, delivery, or mobilization of the approved materials to the project site.

The Contractor was unable to supply the approved materials in accordance with the agreed procurement schedule and commitments made during previous coordination meetings. As a result, critical project components, including poles, transformers, metering equipment, and other associated distribution system materials, remained unavailable for installation, directly affecting the implementation schedule of the transmission and distribution works.

The continued delay in material supply, despite prior approvals and execution of supply contracts with the respective manufacturers and suppliers, has raised serious concerns regarding the Contractor's procurement management, supply chain coordination, and overall commitment to the



timely execution of the Contract. The lack of tangible progress has adversely impacted project planning, resource mobilization, and the sequencing of subsequent construction activities.

Consequently, significant dissatisfaction and concern have been expressed by all key stakeholders, including Amadablam Mini Hydro Limited (AMHL), the Alternative Energy Promotion Centre (AEPC), the Project Board Members, the Supervising Team, and the local beneficiaries. Stakeholders have emphasized that the repeated delays in material delivery pose a substantial risk to the timely completion of the Project and may adversely affect the achievement of the Project objectives within the stipulated implementation period.

AMHL has formally communicated its concerns to the Contractor and has requested immediate corrective actions, including the submission of a realistic procurement and delivery schedule, confirmation of manufacturing and dispatch status from the suppliers, and the expedited mobilization of all approved materials to the project site. The Contractor has been advised that further delays may result in additional contractual implications and could jeopardize the overall progress and successful completion of the Project.

Regarding the powerhouse earthing system, the specialized installation team was successfully mobilized to the project site and has completed the installation of the earthing system in accordance with the approved design and technical requirements. Following the completion of the works, the installation team is currently preparing the final completion report and testing/commissioning report, which are expected to be submitted shortly for review and record.

Likewise, due to transportation constraints associated with delivering long cable lengths to the project site, the requirement for additional 1.1 kV straight-through cable joining kits was identified during detailed implementation planning. Accordingly, a Request for Quotation (RFQ) was issued to potential suppliers, and following the evaluation of the submitted quotations, the supply contract was awarded to the lowest responsive bidder in accordance with the applicable procurement procedures. The procurement process has been completed, and arrangements are being made for the delivery of the joining kits to support the timely installation of the low-voltage distribution network.

2.2.5 Environment & Social Safeguard

Environmental, health, and safety (EHS) rules are being followed at all ESCO construction sites. Workers have been given personal protective equipment (PPE) and life insurance to keep them safe and protected. First aid boxes are maintained on-site following clear guidelines to ensure that all medicines are properly stored and are not expired. The installation of project area delineation and construction signage has been completed at the site. The project information board is installed



in a visible place accessible to everyone at the construction site. Labor camps consisting of tents have been established in accordance with site conditions. Housekeeping and waste management practices are being maintained effectively to ensure a safe and clean working environment. The Occupational Health and Safety (OHS) checklist and supporting photographs are attached in **Annex 2 and Annex 3**.

Key Activities during this Month

- **Follow-up on Land-Related Documents**

The land acquisition documents were previously submitted to the Ministry of Forests and Environment (MoFE). However, the file has been returned by MoFE to the Department of National Parks and Wildlife Conservation (DNPWC) due to the absence of a clear decision from the Government of Nepal regarding the construction of the hydropower project within the core area of a protected area.

At present, the land acquisition file is with DNPWC, and DNPWC has officially informed AMHL about the return of the file from MoFE. The file is expected to be forwarded again through MoFE to the Cabinet for approval after the Supreme Court issues an order permitting the commencement of construction work within the core area of the protected area.

ESS Activities for Next Month (August, 2026)

- Conduct a workshop in compliance with the ESMP requirements at the construction site.
- Conduct a health screening of the labours and technical team.

3. Monthly Financial Progress Report

This report presents the financial progress of the Amadablam Mini Hydro Project for the month of July 2026. The report focuses exclusively on project construction-phase financial activities and summarizes key developments relating to subsidy disbursements, loan and equity management, settlement of project-related expenses, procurement financing, and issuance and management of bank guarantees, all of which are critical to advancing the project's civil, hydro-mechanical, and electro-mechanical works.



The total approved project budget amounting to **NPR 61,89,01,638.89** represents the approved baseline project cost as per the Detailed Feasibility Study (DFS) and Detailed Engineering Design (DED). This approved budget is treated as the baseline cost, and all expenditures incurred during the reporting period are monitored, controlled, and accounted for against the respective approved cost heads.

As of the reporting quarter, no revision, cost escalation, or deviation from the approved project budget has been identified or approved. All expenditures incurred are pre-operating in nature and have been capitalized as Construction Work-in-Progress (CWIP), as the project has not yet achieved Commercial Operation Date (COD).

SN	Budget Head	Approved Amount (NPR)	% of Total
1	Civil Construction	13,06,10,963.74	21.10%
2	Mechanical Works	18,55,29,137.21	29.98%
3	Electrical, Transmission & Distribution	22,54,61,359.27	36.43%
4	Sub-Total (2 + 3)	54,16,01,460.22	87.51%
5	Environmental & Social Management Plan (ESMP)	52,77,320.03	0.85%
6	Physical Contingency	3,57,64,802.15	5.78%
7	Financing & Interest During Construction (IDC)	2,14,89,818.95	3.47%
8	Pre-Operating Expenses	1,47,68,237.54	2.39%
	Total Approved Subproject Baseline Cost	61,89,01,638.89	100.00%



Source of Funds – Project Financing Structure

The total approved project cost of **NPR 61,89,01,638.89**, as per DFS and DED, is being financed through a combination of government subsidies, Investment of RM, bank financing, and equity contributions, as detailed below.

3.1 Source of Fund and Disbursement

SN	Source of Fund	Approved Sanction (NPR)	Disbursed to Date (NPR)	Progress (%)
1	Subsidy			
1.1	Subsidy (AEPC)	12,83,07,000.00	1,29,14,442.17	10.07%
1.2	VGF Support (SECF)	17,00,50,000.00	17,00,50,000.00	100.00%
2	Loan from Partner Bank (SBL)	15,00,00,000.00	4,24,35,833.80	28.29%
3	Equity (ESCO)	9,05,44,638.89	5,48,80,100.00	60.61%
4	Investment (RM)	8,00,00,000.00	80,00,000.00	10.00%
	Total Subproject Cost (1+2+3+4)	61,89,01,638.89	28,82,80,375.97	46.58%

Details of Sources of Funds

1. Financial Support

1.1 Subsidy (AEPC)

The subsidy of **NPR 12,83,07,000.00** approved by the Alternative Energy Promotion Centre (AEPC) is disbursed upon the achievement of specified construction milestones and compliance with subsidy guidelines. During the reporting month, a disbursement of **NPR 1,29,14,442.17** was



successfully received. The remaining balance is expected in subsequent phases as further milestones are met.

1.2 VGF Support (SECF)

The **Viability Gap Funding (VGF)** support amounting to **NPR 17,00,50,000.00** has been approved, and received fully as of the reporting month.

2. Loan from Partner Bank (SBL)

A term loan facility of **NPR 15,00,00,000.00** has been sanctioned by **SBL**. Loan drawdowns amounting to **NPR 4,24,35,833.80** have been made based on certified construction progress and in accordance with the loan agreement.

3. Equity Contribution – ESCO

The project sponsor, **ESCO**, has committed equity of **NPR 9,05,44,638.89**, of which **NPR 5,48,80,100.00** has been contributed as of the reporting month. Remaining equity will be infused as per project funding requirements.

4. Investment Contribution – RM

An investment commitment of **NPR 8,00,00,000.00** has been made by **RM** as part of the project's investor funding structure. As of the reporting month, **NPR 80,00,000.00** has been received. Further contributions will be made in line with the agreed investment schedule.

Confirmation – Source of Funds

All funds received during the reporting period have been utilized solely for project construction activities and are recorded as Construction Work-in-Progress (CWIP). The funding structure remains adequate, compliant, and aligned with the approved project budget and financing plan.

3.2 Civil Works – Contract, Financial Progress, Advances & Guarantees

Civil Works Contractor Details

- **Contractor: CRC Nepal – D.L. Structure and Builders J.V.**
- **Scope of Work:** Civil construction works as per approved **DFS & DED**
- **Contract Signing Date: 26 September 2024**



Approved Contract Status

Particulars	Details
Contract Amount	NPR 11,19,04,868.64
Contract Signing Date	26 September 2024
Original Completion Period	As per Contract Agreement
Extended Completion Date	31 August 2026
Basis of Extension	Approved as per contractual provisions

Financial Progress Status

Particulars	Amount (NPR)
IPC Certified till Date	2,90,09,170.22
Remaining Contract Value	8,28,95,698.42
Financial Completion	25.92%

All IPCs certified to date relate to measured and verified civil works executed at site and have been settled in accordance with contractual terms.

Advance Payment Details

To support contractor mobilization and continuity of civil construction activities, advance payments equivalent to 10% of the contract amount were released twice, resulting in a total advance of 20% of the contract value (before VAT).

Particulars	Amount (NPR)
Contract Value	11,19,04,868.64
Advance Rate	10% × 2 (Total 20%)
Total Advance Paid	1,96,29,180.12
Security	Advance Payment Guarantee (APG)
APG Validity	Up to 25 December 2026

The advance payments are fully secured through a valid Advance Payment Guarantee (APG) and are recoverable progressively through deductions from future Interim Payment Certificates (IPCs) in accordance with the contract.



Performance Bank Guarantee (PBG)

In addition to the advance security, the contractor has furnished a **Performance Bank Guarantee** to secure due performance of contractual obligations.

Particulars	Details
Performance Bank Guarantee Amount	NPR 55,95,244.00
Purpose	Performance security as per contract
PBG Validity	Up to 31 October 2027

The PBG remains valid, enforceable, and adequate, covering the construction and defect liability obligations of the contractor.

All civil works expenditures, advance payments, and guarantees are contractually compliant, adequately secured, and subject to robust financial controls.

The civil works component remains within the approved DFS & DED project cost framework.

3.3 Hydro-Mechanical (HM) Works – Contract, Financial Progress & Guarantees

- **Contractor: Maa Shakti Engineering and Hydropower Pvt. Ltd.**
- **Scope of Work:** Design, fabrication, supply, delivery, installation, and testing of hydro-mechanical components in accordance with the approved Detailed Feasibility Study (DFS) and Detailed Engineering Design (DED)
- **Contract Signing Date: 23 August 2024**

Contract Status

Particulars	Details
Contract Amount	NPR 13,98,32,171.59
Contract Signing Date	23 August 2024
Original Completion Period	As per Contract Agreement
Revised Completion Date	31 August 2026
Contract Status	Active
Cost Framework	DFS & DED Approved



Financial Progress

Particulars	Amount (NPR)
IPC / Milestone Payments Certified till Date	9,67,36,240.38
Remaining Contract Value	4,30,95,931.22
Financial Completion	69.18%

Payments made to date relate to certified contractual milestones and verified work progress and are recorded as Construction Work-in-Progress (CWIP).

Advance Payment Guarantee (APG) Status

Advance payments under the HM contract were secured through an Advance Payment Guarantee (APG). As per contractual recovery provisions, 10% of the APG has been released against certified IPCs, while the remaining portion continues to secure the outstanding advance balance.

Particulars	Details
Original APG Coverage	20% of Contract Value
APG Released Against IPCs	10%
Remaining APG Coverage	10%
Remaining APG Amount	NPR 1,23,78,267.40
APG Validity	Up to 30 September 2026

The remaining APG will be released progressively in line with future IPC recoveries.

Performance Bank Guarantee (PBG)

A Performance Bank Guarantee has been obtained to secure contractual performance obligations.

Particulars	Details
Performance Bank Guarantee Amount	NPR 69,91,608.58
Purpose	Performance security as per contract
PBG Validity	Up to 31 October 2027

The PBG remains valid and enforceable for the duration required under the contract.



3.4 Electro-Mechanical (EM) Works – Procurement, Financial Progress

- **Supplier / Contractor: Poseidon SA, Greece**
- **Scope of Work:** Design, manufacture, supply, installation, testing, and commissioning of electro-mechanical equipment including turbine-generator units, control and protection systems, and associated auxiliaries, in accordance with the approved **Detailed Feasibility Study (DFS)** and **Detailed Engineering Design (DED)**
- **Project Phase:** Under Construction

Procurement & Letter of Credit (LC) Status

Particulars	Details
Procurement Mode	Supply through Letter of Credit (LC)
LC Number	MT700-001ILSF250702002
LC Opening Date	2 July 2025
LC Expiry Date	2 October 2026
LC Status	Valid till 2 october 2026

Contract Value & Advance Payment Status

The electro-mechanical contract is denominated in **United States Dollars (USD)**. Advance payments have been structured in accordance with contractual provisions and approved milestones.

Contract Value

Particulars	Amount
Total Contract Value	USD 550,903.94

Advance Payments Released

Particulars	Basis	Amount
Advance Payment – 10%	Against Bank Guarantee (BG)	USD 55,090.39 (approx.)
Advance Payment – 20%	Against Design Approval	USD 110,180.79 (approx.)
Total Advance Released	30% of Contract Value	USD 165,271.18 (approx.)

Note (for clarity):

- 10% of USD 550,903.94 = **USD 55,090.394**
- 20% of USD 550,903.94 = **USD 110,180.788**
- Figures are rounded for reporting purposes.



The **10% advance** has been released against submission of a valid **Bank Guarantee**, and the **20% advance** has been released upon **approval of the detailed design**, in line with the contract and LC terms.

Guarantee Status

Particulars	Details
Advance Payment Guarantee (APG)	Received and valid
APG Validity	Up to 12 September 2026
Purpose	Security for advance payments
Coverage	As per contractual provisions

The Advance Payment Guarantee adequately secures the advances released under the electro-mechanical contract.

All advance payments released under the electro-mechanical works component have been **recorded as Construction Work-in-Progress (CWIP)**. Subsequent payments will be made against achievement of contractual supply, delivery, installation, and testing milestones in accordance with the Letter of Credit and contract terms.

3.5 Transmission & Distribution (T&D) Works

Contractor: Koju Engineering & Builders Pvt. Ltd.

Scope: Installation of underground transmission and distribution components of Amadablam Mini Hydro Project (911 kW) at Khumbu Pasanglhamu Rural Municipality, Ward No. 4, Solukhumbu

Contract Status

Particulars	Details
Contract Amount	NPR 99,811,036.80
Contract Signing Date	1 April 2025
Original Completion Period	As per Contract Agreement
Revised Completion Date	31 August 2026
Contract Status	Active
Cost Framework	DFS & DED Approved



Financial Progress Status

Particulars	Amount (NPR)
IPC Certified till Date	2,10,64,458.38
Remaining Contract Value	7,87,46,578.42
Financial Completion	21.10%

Advance & Guarantee Details

Item	Details
Advance Payment	10% of contract amount
Advance Amount Released	NPR 8,798,208.00
Security	Advance Payment Guarantee (APG)
APG Validity	Up to 1 October 2026
Performance Bond (PB)	Received
PB Validity	Up to 30 December 2027

Accounting Treatment

All expenditures incurred under the T&D works, including advance payments, are pre-operating in nature and have been capitalized as Construction Work-in-Progress (CWIP).

Package	Contractor / Supplier	Contract Value (NPR Equivalent)	Portfolio Weight (%)	Certified Value / Progress (NPR)	Package Completion (%)	Contribution to Overall Progress (%)
Civil Works	CRC Nepal – D.L. Structure JV	11,19,04,868.64	25.77%	2,90,09,170.22	25.92%	6.68%
HM Works	Maa Shakti Engineering	13,98,32,171.59	32.21%	9,67,36,240.38	69.18%	22.28%
T&D Works	Koju Engineering & Builders	9,98,11,036.80	22.99%	2,10,64,458.38	21.10%	4.85%



EM Works	Poseidon SA, Greece (USD 550.9k) (\$1=Npr 150 approx.)	8,26,35,591.00	19.03%	2,38,70,668.88	30%	5.50%
Total Major Works	All 4 Packages Combined	43,41,83,668.03	100%	17,06,80,537.86		39.31%

3.6 Operational Advances – Lot-wise Summary

The **Alternative Energy Promotion Centre (AEPCC)** has provided operational advances to **Amadablam Mini Hydro Limited (ESCO)** to support operational and site-level expenses during the construction phase of the Amadablam Mini Hydro Subproject.

Operational Advance – Disbursement Details

- The **first lot** of operational advance amounting to **NPR 5,000,000.00** was disbursed on **14 July 2024** as the initial operational payment.
- After adjusting the **unutilized balance from the first lot**, the **second lot** of operational advance amounting to **NPR 2,391,689.80** was received on **3 July 2025**.
- Subsequently, the **third lot** of operational advance amounting to **NPR 2,590,945.58** was received on **16 September 2025**, following submission of the requisite request and supporting documentation to AEPCC.

These advances were provided to meet **project-related operational expenses** during the construction phase.

Lot No.	Date of Request	Reference No.	Date of Receipt	Amount Received (NPR)
1st Lot	14th July 2024	2080-81/55	14th July 2024	5,000,000.00
2nd Lot	29th June 2025	2081-82/150	3rd July 2025	2,391,689.80
3rd Lot	28th July 2025	2082-83/01	16th September 2025	2,590,945.58
Total				9,982,635.38



4. Quality Assurance and Quality Control

QA/QC of distribution cables, service cables and ACSR conductors have been done. FAT of EM components has been conducted at the suppliers' factory so far. AMHL will check the quality of welds of the penstock joints during the laying of penstock pipes. Quality checks of the powerhouse earthing materials have also been tested. Samples from the concrete have been prepared for cube tests.

5. Social Media Outreach and Engagement Statistics

5.1 Overview

Since August 2025, Amadablam Mini Hydro Limited has been using its social media platforms (Facebook, Instagram, and LinkedIn) to enhance project visibility and stakeholder engagement.

This month, no new content was published due to the current status of the land acquisition process. The land acquisition file, previously submitted to the Ministry of Forests and Environment (MoFE), has been returned to the Department of National Parks and Wildlife Conservation (DNPWC) and is currently under review. The file is expected to be resubmitted following further direction, including a Supreme Court order.

Accordingly, project activities and social media updates remain on hold. However, platform performance remains stable, with a gradual increase in followers and consistent engagement.

6. Risks and Mitigation Measures

6.1 Technical Risks

The timely completion of the intake structures before the 2026 monsoon is critical. There is a significant risk between anchor blocks 20 to 24 and anchor blocks 37 to 43 due to steep terrain and the presence of large boulders along the route is time consuming by hand. Though the shipping of EM components has been done, transportation to the road head seems extremely difficult during the rainy season whereas transportation to the site by helicopter is quite unlikely.

6.2 Financial Risks and Mitigation Measures

1. Financing, Interest Rate, and Cost Overrun Risk

Risk: Potential exposure to interest rate fluctuations, delayed subsidy or equity inflows, and cost overruns across civil, HM, and EM components may impact project cash flow and timelines.

Mitigation Measures:



- Maintain contingency provisions for unforeseen cost escalations.
- Prefer fixed-price or well-defined contracts where feasible.
- Conduct regular financial reviews and expense monitoring against the approved budget.
- Ensure timely follow-up on subsidy releases and equity infusions.

2. Contractor Non-Compliance Risk

Risk: Delays in submission of guarantees, slow execution, or non-compliance with contractual requirements may lead to schedule slippages, additional financing costs, and reputational risk.

Mitigation Measures:

- Closely track contractor performance against contractual milestones.
- Enforce timely submission of guarantees and compliance documents.
- Apply progress-linked payments and contractual penalty provisions where applicable.
- Maintain proactive communication with lenders, AEPC, and regulatory authorities to manage financial and operational implications effectively.

6.3 Physical, Biological, Environmental and Social Impact/ Risk

The subproject area has gneisses, schists and marbles of the Higher Himalayan Zone and Tethyan sediments (limestone, shale, sandstone etc. belonging to the Tibetan-Tethys Zone. Most of the area is exposed bedrock with thin colluvial soil cover. The colluvial soil comprises boulders, gravels, cobble and pebbles of gneiss with sand. The subproject area lies in subalpine to alpine climatic zone. The average annual rainfall is 1524 mm. January is the coldest month and July is the warmest month of the subproject area. The minimum temperature of the Pangboche area goes down below 0°C about 7 months of the year. The weir will be in the river while penstock pipe lies in grassland. The powerhouse will be constructed in grassland. Transmission and distribution lines pass through tourist trekking routes.

7. Challenges and Recommendation

The road conditions along the BP highway and Siddhicharan Highway have halted the equipment being transported to roadhead Surke from Kathmandu and factory whereas the helicopter transportation is also irregular during monsoon. Transportation from mules has also been a problem along the restricted regions. The delay in procurement of T&D components has certainly pushed the project timeline beyond the stipulated date of 1st September 2026.



8. Next Steps

8.1 Clearance and transportation of Electro-Mechanical Components

AMHL has been preparing documentation for custom clearance at Biratnagar Custom Office, India-Nepal Border and planning for transportation to the site immediately.

8.2 Procurement of remaining accessories

Regarding this, AMHL is preparing for procurement of accessories of powerhouse electrical systems, Switchyard system and some safety systems as mentioned in the ESMP. Procurement of manual crane has been initiated.

8.3 Review of Bill of Quantities as per DFS/DED

As per the discussion between CREF, AEPC and AMHL, there has been the requirement of review of BoQ mentioned in DFS/DED for successful completion of the project. The preparation of necessary suggestions has been prepared and being reviewed by AEPC.



9. Appendices

ANNEX 1: Photographs



Figure 1: Construction at headworks area



Figure 2: Construction at Powerhouse



Figure 3: Construction work at powerhouse and tailrace



Figure 4: Completion and testing of powerhouse earthing



Fig 5. Field Alignment of Penstock Sections



Fig 6. Welding of 15.75mm Penstock Pipe.



Fig 7. Clearance/Breaking of Boulder encountered at penstock pipe alignment.



Fig 8. Level check & Penstock length verification at the trench prepared.



Fig 9. 650 kVA Transformer Core and Winding Assembly Under Manufacturing.



Fig 10. 650 kVA Transformer Tank Fabrication Completed.

ANNEX 2: Environment health and safety status at project site

S.N.	Activities	Implementation Status	Remarks/Details
1.	Occupational Health and Safety (OHS) Measures		
1.1	Set of PPE available at Subproject	Yes	
1.2	PPE Provided to workers	Yes	
1.3	Helmet, Gloves, Jackets, Harness and Boots	Yes	
1.4	First Box with sufficient medicines at site	Yes	
2.	Human Resources at Subproject		
2.1	Project Manager	Yes	Active supervision and frequent field visit as required
2.2	Environmental and Social Safeguard Staff	Yes	Available at project site
2.3	Civil Engineer	Yes	Available at project site
2.4	Electrical Engineer	Yes	Available at project site
2.5	Mechanical Engineer	Yes	Available at project site
2.6	Workers /Labour	Yes	Available at project site
2.7	Insurance of Workers	Yes	Group Insurance



S. Mahajan

3.	Information Board and Suggestion Box		
3.1	Information Board of Subproject	Yes	
3.2	Suggestion Box	Yes	The record file is kept at the construction site.
4.	Community Consultation		
4.1	Number of Consultation Conducted	4	• GRC1 Reformulation • Coordination Meeting with Pangboche Health Post • Rescue Committee Formation • Workshop on OHS and ESMP implementation at construction site
4.2	Number of People Participated in Consultation	53	• Twenty-two (22) people participated in the GRC1 reformulation meeting • Nine (9) people attended the meeting with Pangboche Health Post. • Twelve (12) participants attended the workshop on Rescue Committee Formation • A total of ten (10) participants attended the workshop on OHS and ESMP implementation at the construction site.
5.	Grievance Redress Mechanism		
5.1	Grievance Redress Committee Formed	Yes	GRC1 reformulation with nine committee members
5.2	Name of designated Grievance/ SEA/SH Handing Focal Person	Kalpana Dangol	ESS Officer



SM Mahajan

5.3	Grievance Registration Book	Yes	The record file is kept at the construction site.
5.4	Record of Grievance Received (If any)	NA	
6.	Placement of Signage		
6.1	Signage at Subproject Site	Yes	
6.2	Suggestion Box	Yes	The record file is kept at the construction site.
7.	Waste Management/Material Storage		
7.1	Waste Disposable Designated Area	Yes	Kitchen waste is being managed properly by collecting all kitchen refuse in a designated pit, which is covered with soil daily. The pit is barricaded to prevent potential hazards. Other solid wastes are collected, segregated, and managed following the principles of waste reduction, reuse, and recycling. Collected waste will be transported to the Pangboche waste collection site for safe disposal.
7.2	Material Storage Designated Area	Yes	Intake and Powerhouse

ANNEX 3: Photographs of Occupational Health and Safety (OHS)



Figure: Existing Construction Signages



Figure: Project information board at construction site

Figure: Portable water near the labor camp

[illegible]



Figure: First aid box at construction site



Figure: Toilet near the labor camp (Intake area)



Figure: Construction site and labor camp at powerhouse

Health Camp Picture at Intake and Powerhouse Construction Site



ANNEX 4: Labor Data

<https://docs.google.com/spreadsheets/d/1PueHjWV0iXO5ijHT1NDS3SQikEPAIih5g1h6g07HMTg/edit?usp=sharing>