

Quarterly 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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1. Executive Summary

During the reporting quarter, the Amadablam Mini Hydro Project (911 kW) continued implementation with progress achieved in civil, hydro-mechanical, and electro-mechanical components despite significant logistical and operational challenges associated with its high-altitude location in the Everest region. Construction activities focused on the intake, powerhouse, penstock alignment, and associated civil structures, while fabrication, procurement and transportation of electro-mechanical equipment progressed in coordination with international suppliers. Overall project management efforts remained directed toward maintaining construction quality, ensuring contractual compliance, and coordinating with contractors, consultants, funding agencies, and local stakeholders to achieve the project objectives.

The project experienced schedule pressure during the quarter due to external constraints, including restrictions on the transportation of construction materials, particularly cement, through the Sagarmatha National Park area, adverse weather conditions, and delays in certain procurement and payment processes. These challenges affected the pace of construction activities and required close coordination with government agencies, contractors, and development partners to minimize their impact. Nevertheless, the project team implemented mitigation measures, including improved construction planning, continuous stakeholder engagement, and enhanced monitoring of procurement and logistics to sustain project progress while maintaining quality, environmental safeguards, and occupational health and safety standards.

Looking ahead, the project management team will prioritize completion of the remaining civil works, delivery and installation of hydro-mechanical and electro-mechanical equipment, and resolution of outstanding contractual, logistical, and financial matters. Particular emphasis will be placed on accelerating critical path activities, strengthening coordination among all project stakeholders, and ensuring timely mobilization of resources to support commissioning within the revised implementation schedule. With continued support from shareholders, funding agencies, government authorities, contractors, and the local community, Amadablam Mini Hydro Limited remains committed to successfully completing the project and delivering reliable, clean electricity



to the Everest region, thereby contributing to sustainable economic development, improved livelihoods, and Nepal's renewable energy goals.

2. Work Progress Overview

The civil construction works at the AMHL project have been advancing notably, with RCC works coming to an end at gravel trap and desanding structures. With the completion of transportation of HM components and laying of penstock pipes being initiated, whereas significant progress in fabrication and shipment of EM components, completion of transportation of T&D components as well, the project remains on track to achieve its next set of milestones.

2.1 Physical Progress

Work Category	Physical Progress (%)
Civil Works	27
Hydro-mechanical Works	62
Electro-mechanical Works	68
Transmission & Distribution Works	21

Weighted Average Overall Physical Progress: 44.72%

2.2 Summary of Completed and Ongoing Tasks

2.2.1 Civil Works

Since the beginning of this quarter, significant progress has been made in the civil works, with three separate teams working simultaneously at the intake area, penstock alignment, and powerhouse area. At the intake area, the desander-cum-forebay structure is nearly complete. Around 75% of the gravel trap and intake structure has been completed, while approximately 2% of the weir and under sluice structure has been constructed. Along the penstock alignment, excavation has progressed to about 1,700 meters, of which nearly 900 meters has been completely cleared.

At the powerhouse area, all footing works have been completed. Backfilling and Random Rubble Masonry (RRM) works for the substructure are currently in progress, while preparations for the plinth beam are underway. In addition, the laying of the earthing mat at the powerhouse is also progressing.



Work Component	Unit	Total Scope	Physical Progress (%)	Remarks
Intake	No.	1	2%	Diversion of River and Completion of Cutoff Wall at Intake to undersluice and Excavation of Undersluice structure is completed
Gravel Trap	No.	1	75%	All Completed. Except construction of Spillway and Flushing Canal is remaining
Headrace & Desilting Basin	No.	1	98%	All Completed. Except concreting at Bellmouth and fencing work.
Penstock Alignment	No.	1	5%	1700 m excavation ongoing with 900m completed with all clearance. Excavation of 12 nos. of anchor blocks
Powerhouse Building	No.	1	25%	All the footings are completed. Backfilling and RRM work for substructure is going on. All the bar bending work for the plinth beam is completed. An earthing mat is being installed.
Tailrace Canal	No.	1	-	
Other Civil Structures	LS	1	16%	48m Gabion wall for River Protection completed.

Overall Physical Progress of Civil Works: 27%

2.2.2 Hydro-Mechanical Works

This quarter marked a significant milestone in the Hydro-Mechanical (HM) works with the commencement of penstock pipe laying and installation activities in early June 2026. Despite this achievement, the overall progress was slower than initially anticipated due to the presence of large boulders encountered during trench excavation along the penstock alignment. These obstructions significantly hindered excavation activities and consequently delayed the laying and installation of the penstock pipes. To minimize the impact of these delays and maintain construction momentum, penstock pipe welding was carried out outside the trench wherever feasible, ensuring



that welded pipe sections were ready for installation immediately after the trench became accessible.

To address the excavation constraints, the ESCO mobilized a boulder excavation team. Following their mobilization, the removal of the obstructing boulders progressed satisfactorily, allowing trench excavation and pipe installation activities to resume. As of the reporting period, a total of 50 penstock pipes (15.75 mm thickness) and one 16 mm expansion joint had been successfully laid and installed within the trench. With the major excavation obstructions now substantially resolved, the pace of penstock installation is expected to improve during the next reporting period.

Work Component	Unit	Total Scope	Completed	Physical Progress (%)	Remarks
Penstock pipe	m	2930	2930	100%	All penstock pipes have been fabricated and transported to the nearest road head, Surke and airlifted to the sub-project site.
Bends	No.	58	54	90%	Bend profiles have been fabricated at Surke and airlifted to the project site and remaining 4 will be fabricated at project site.
Expansion Joints	Set	57	57	100%	Manufacturing of all expansion joints have been completed and airlifted to the project site.
Gates and related fittings	No.	4	4	100%	Delivered to project site
Transportation	LS			100%	All HM equipment with accessories had been transported to project site
C-Clamps with bolts	No.	364	364	100%	364 c-clamps with bolts have been transported to the project site.
Installation Works	Job			7.5%	50 penstock pipes of 15.75mm and 1 expansion joint of 16mm a totaling of 180.76m had been completed
T & C Works	Job	1	-	-	

Overall Physical Progress (Hydro-mechanical Works): 62%



2.2.3 Electro-Mechanical Works

During this quarter, significant progress has been achieved with the Electro-Mechanical (EM) contractor. The contractor completed the fabrication of all equipment in accordance with the approved Bill of Quantities (BoQ) and shipment to the Kolkata port has also been done.

Work Component	Unit	Total Scope	Physical Progress (%)	Remarks
Turbine & accessories	No.	2	100%	Manufacturing has been completed and shipment to Kolkata Port has been done.
Generator & accessories	No.	2	100%	Manufacturing has been completed and shipment to Kolkata Port has been done.
Control System & Panels	Set	1	100%	Manufacturing has been completed and shipment to Kolkata Port has been done.
Powerhouse Electrification	LS	1	-	
Transportation	Job	1	65%	The EM components have been transported from the factory of the supplier to the Kolkata Port.
Installation	Job	1	-	Installation work shall be initiated once the equipment reaches the site.
T & C Works	Job	1	-	

Overall Physical Progress (Electro-mechanical Works): 68%

2.2.4 Transmission & Distribution Works

This Section of quarterly report summarizes the progress achieved under the Transmission & Distribution (T&D) component of the Amadablam Mini Hydro Subproject during the period from April to June 2026. The overall physical progress of the T&D component remained at approximately 21% during the reporting period, with significant emphasis placed on procurement, logistics, technical evaluation, and approval of major electrical equipment required for project implementation.



Material Transportation and Logistics

During April 2026, substantial progress was achieved in transportation of distribution network materials. A total of:

- 7.53 km of 4-Core 95 sq.mm LT Cable (4C95)
- 5.00 km of 4-Core 35 sq.mm LT Cable (4C35)
- 0.43 km of 2-Core 25 sq.mm Cable (2C25)
- 14.00 km of Service Cable (2C10)
- 1.90 km of ACSR Weasel Conductor
- 100 m of 1C25 Copper Armoured Cable

were successfully transported from Surke to various project locations through helicopter operations between 8 April and 22 April 2026.

During May 2026, the Contractor submitted the Second Interim Payment Certificate (IPC) related to transportation of LT cables, ACSR conductors, and service cables. The submitted documents were reviewed by AMHL for payment processing.

Distribution Transformer Procurement

During the reporting quarter, considerable progress was achieved regarding transformer procurement. The Contractor committed to finalize procurement arrangements for distribution transformers and associated accessories. On 10 June 2026, the Contractor submitted the General Technical Particulars (GTP) and drawings of distribution transformers for technical approval.

Following detailed review in consultation with the AEPC Expert:

- The originally proposed 65 kVA transformers were substituted with 100 kVA transformers on request from the contractor due to uneven sizing & 100kVA Transformer being available at the market.
- The proposed transformers were verified to comply fully with IEC 60076 standards.
- The increased transformer capacity was accepted considering market availability and standard manufacturing practices.
- Technical approval was granted on 12 June 2026.

The approval was issued subject to the condition that the substitution would not result in any variation order, additional payment, compensation claim, contract price adjustment, or extension of cost liability to AMHL. Subsequently, the Contractor submitted the supply agreement executed with Transweld Nepal Pvt. Ltd.

Manufacturing Inspection

AMHL conducted a factory inspection of the required transformer exception from the contractor which are as following:

- Two Nos of 650 kVA Power Transformer
- One No of 25 kVA Distribution Transformer
- Two Nos of 50 kVA Distribution Transformer



The inspection verified compliance with approved specifications and manufacturing quality requirements. The manufacturer advised that hermetically sealed transformers should ideally be installed and energized within 10–15 days after manufacturing to minimize moisture-related risks.

Pole Procurement

Significant progress was achieved regarding pole procurement during June 2026. The Contractor submitted the technical specifications of 410SP31 steel poles and requested approval.

After detailed review and consultation with AEPC experts:

- General Technical Particulars (GTP) of the pole were approved on 12 June 2026.
- The Contractor subsequently submitted the supply agreement executed with Hulas Steel Industries Limited for supply of 9-meter steel poles.

Smart Metering System

During the reporting quarter, AMHL continued technical evaluation of the proposed smart metering system. In April, a joint technical inspection was conducted at Smart Consult Pvt. Ltd where technical specifications, software architecture, communication systems, and operational features of the smart metering system were reviewed. Following this in May, the Contractor requested approval of General Technical Parameters (GTP) for the smart metering system. AMHL reviewed the proposal and subsequently issued technical approval. Subsequently in June, the Contractor submitted the Supply, Delivery, Installation Support, and Training Agreement executed with Smart Consult Pvt. Ltd.

Distribution Box Development

The Distribution Box (DB) design remained under continuous review throughout the reporting period. Key Issues Identified: the PVC enclosure specified in the contract document was not readily available in the local market, existing DB configuration required redesign to improve network protection and operational reliability and, additional protection requirements and MCB sizing revisions were identified during technical reviews. Progress During Quarter: site visits and consultations were conducted with Yonjan Electrical Engineering Fabricator Pvt. Ltd. & Rebalpur Metal Industries, alternative metal enclosure options were evaluated, the contractor submitted revised DB concepts, MCB capacity approval remained under review pending finalization of DB design and variation assessment.

High-Tension (HT) Cable Procurement

The HT cable component remained one of the major procurement challenges during the quarter. The Contractor had proposed variations in cable specifications through a Techno-Financial Proposal submitted earlier. Following technical evaluation: the proposed variation exceeded permissible contractual limits, the Contractor formally requested removal of HT cable procurement from its contractual scope & AMHL decided to undertake HT cable procurement separately, subject to Board approval and procurement procedures.

Further decisions regarding HT cable procurement are expected in the subsequent reporting period.



Jointing Kit Assessment

During April 2026, detailed assessment of 1.1 kV straight-through jointing kits was initiated after successful transportation of 1.1kV low tension cable. Additional joints became necessary due to helicopter transportation limitations and segmented cable delivery. The review identified that: 1.1kV straight jointing kits had not been included in the original DFS, DED, or Contract BOQ. Therefore, an estimated quantity reflecting actual field requirements was calculated and accordingly, detailed calculation and procurement planning were initiated for the required quantities of:

- 32 Sets of 1.1 kV 4C95 Straight Through Jointing Kits
- 14 Sets of 1.1 kV 4C35 Straight Through Jointing Kits

Powerhouse Earthing System

Progress on powerhouse grounding and earthing systems continued throughout the quarter. In April, earthing materials were received, EDF Form was prepared and transportation planning commenced. Following this in May, Earthing materials were successfully transported to the powerhouse site through helicopter operations. Accordingly, in June transportation of all required grounding materials was completed, preparations were initiated for mobilization of the specialized installation team and, earthing system installation activities were scheduled to commence shortly.

Challenges Encountered

The following challenges affected progress of the T&D component during the quarter:

1. Financial Constraints of the Contractor: The T&D contractor continued to face financial constraints during the reporting period, which adversely affected the timely initiation of procurement and implementation activities. Although the Contractor submitted the required supply contract agreements and supporting documentation for major approved components, including Distribution Transformers, Steel Poles, and Smart Meters, actual procurement and manufacturing activities have yet to commence. Consequently, the financial limitations on the Contractor's part have resulted in delays to the planned procurement schedule and have the potential to impact subsequent installation and commissioning activities if not addressed in a timely manner.
2. Adverse Weather Conditions: Snowfall during April and residual adverse weather during May affected transportation and field activities.
3. HT Cable Variation Issues: The Contractor proposed a variation in the specification of the 11 kV High Tension (HT) cable and associated accessories; however, following detailed technical and financial evaluation, it was determined that the proposed variation exceeded the permissible limits allowed under the Contract. Consequently, the Contractor formally requested the exclusion of the HT cable procurement from its contractual scope. In response, AMHL decided to undertake the procurement of the 11 kV HT cable and related accessories separately, subject to approval of the Board of Directors and compliance with applicable procurement procedures. Furthermore, AMHL and the Contractor are required to jointly prepare an amended Bill of Quantities (BoQ) excluding the 11 kV HT cable and



its associated accessories from the Contractor's scope of work. Upon finalization, the amended BoQ will be submitted to AEPC for review and approval before proceeding with the separate procurement process.

4. **Distribution Box Design Constraints:** The progress of Distribution Box procurement and approval was affected by technical and market-related constraints during the reporting period. The PVC enclosure material specified in the Contract Documents was found to be not readily available in the local market. Furthermore, detailed technical reviews revealed that the protection scheme and component configuration specified in the original design required redesign and optimization to ensure adequate protection, operational reliability, and future expandability of the distribution network. Consequently, the Contractor proposed alternative enclosure materials and revised protection arrangements, which are currently under technical review by AMHL and relevant stakeholders. As a result, final approval of the Distribution Box design has been delayed pending completion of the review and approval process.
5. **Transportation Limitations:** The implementation of the T&D works was affected by helicopter payload limitations associated with transportation to the remote project site. Due to restrictions on the size and weight of cable drums that could be airlifted, several cable lengths required segmentation into shorter sections for transportation. This necessitated a reassessment of the quantities of 1.1kV straight-through jointing kits and associated accessories required for network installation.

Planned Activities for Next Quarter (July – September 2026)

The following activities are planned:

- Final approval of Distribution Box design and MCB capacities.
- Procurement and delivery of approved Distribution Boxes.
- Completion of transformer manufacturing and site delivery.
- Procurement of HT cable through separate procurement process.
- Delivery of steel poles and accessories.
- Mobilization of installation teams and commencement of LT cable laying and service wire installation.
- Installation of powerhouse earthing system.
- Initiation of pole erection works.
- Procurement and deployment of required 1.1kV jointing kits.
- Installation of smart metering infrastructure.



Work Component	Unit	Total Scope	Completed	Physical Progress (%)	Remarks
Preparation and Site Verification	Job	1	1	100%	Site verification completed and report submitted.
Transmission Line	km	21.45 km	-	-	Under exclusion process from Contractor & under process of separate applicable procurement procedure.
Pole and accessories	Job	1	-	5%	Contract Document from Hulas Steel Industries Ltd received from Contractor.
Transformers	No.	7	-	10%	Purchase order from Transweld Nepal Pvt Ltd Received through Contractor.
Distribution Network	km	12.96 km	12.96 km	100%	All necessary cables including 7.53km 4C95sqmm, 5.00km 4C35sqmm, 0.43km 2C25sqmm &, Service Cable:14.00km 2C10sqmm XLPE insulated unarmored Al cable have been procured & safely transported to site.
Transportation Works	Job	1	-	32%	Total 21300.34kgs of Distribution Cable & Service Cable has been successfully transported to designated sites.
Installation Works	Job	1	-	-	-
T & C Works	Job	1	-	-	-

Overall Physical Progress (T&D Works): 21%



3. Financial Progress

3.1 Project Cost Summary

This report presents the financial progress of the Amadablam Mini Hydro Project for the quarter ended June 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 quarter, a disbursement of **NPR 62,68,347.27** 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. Remaining funds will be released upon fulfillment of subsequent milestones.

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 5,31,80,100.00** 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
Revised 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 25 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).

3.6 Operational Advances – Lot-wise Summary

The **Alternative Energy Promotion Centre (AEPC)** 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 AEPC.

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

