



Inspections of EXIM’s Financing of the Sasan Power Limited and Samalkot Power Limited Projects



OIG-ISP-24-01
September 30, 2024

Office of Inspector General
Export-Import Bank of the United States



MEMORANDUM

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Subject: Inspections of EXIM's Financing of the Sasan Power Limited and Samalkot Power Limited Projects (Report No. OIG-ISP-24-01)

Date: 9/30/2024

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This final report presents the results of our inspections of EXIM's Financing of the Sasan Power Limited (Sasan) and Samalkot Power Limited (Samalkot) Projects.

The objectives for the Sasan Project were to: (1) evaluate the effectiveness of EXIM's ongoing risk assessment and portfolio monitoring, including environmental and safety issues, in relation to the Sasan Project; (2) assess the progress made in mitigating the legal and collection risks associated with the preferential foreclosure rights granted to SARFAESI-registered lenders; and (3) assess the impact of select recommendations that were identified in the previous inspection report (OIG-INS-15-02). The objectives of the inspection of the Samalkot Project were to: (1) conduct an in-depth review of EXIM's risk assessment, due diligence, and portfolio monitoring processes involved in this project and (2) understand the circumstances that led to the project becoming a "stranded asset" and assess the current state and potential recovery value of the remaining power modules. Due to a degree of overlap between both inspections, OIG consolidated the findings and recommendations into a single report.

This report contains nine recommendations. The recommendations will be closed upon completion and verification of the proposed actions.

We appreciate the cooperation and courtesies provided to this office throughout this inspection. If you have questions, please contact me at 202-565-3963 or at michael.ryan@exim.gov.



**Office of Inspector General
Export-Import Bank of the United States**

OIG-ISP-24-01

What OIG Inspected

The Office of Inspector General (OIG) conducted two inspections—one follow-up inspection on the Export-Import Bank of the United States' (EXIM's) project financing for the Sasan Power Limited (Sasan) Project and one inspection on EXIM's project financing for the Samalkot Power Limited (Samalkot) Project. These inspections included a review of EXIM's monitoring and efforts to ensure Sasan and Samalkot complied with the credit agreements. Due to a degree of overlap between both projects, we consolidated the findings and recommendations into a single report.

What OIG Recommends

OIG issued nine recommendations to ensure the effectiveness of EXIM's risk management and continued monitoring of the Sasan and Samalkot Projects. In its comments on the draft report, EXIM concurred with all nine recommendations. OIG considers all nine recommendations resolved. EXIM's response to each recommendation, and OIG's reply, can be found in the [Recommendations](#) section of this report. EXIM's formal response is reprinted in its entirety in [Appendix B](#).

EXECUTIVE SUMMARY

**Inspections of EXIM's Financing of the Sasan Power Limited and Samalkot Power Limited Projects
September 2024**

What OIG Found

OIG found that significant incidents that resulted in 14 deaths and environmental, health, and safety concerns associated with the Sasan Project, a coal-fired power plant and coal mine, persisted despite improvements to EXIM's monitoring efforts. For example, an unpermitted ash pond—used to store coal ash—breached in April 2020, resulting in six fatalities and flooding the adjoining farmland and village with ash slurry. This unpermitted ash pond was not part of the project and was built without EXIM's knowledge. EXIM became aware of this unpermitted ash pond after the breach. In addition, OIG identified challenges with EXIM's monitoring to ensure Sasan conducted routine maintenance and updates for the project, such as maintaining operations and essential equipment like transformers. Further, Sasan's efforts to comply with national flue-gas desulfurization laws may increase the project's financial risks to EXIM.

OIG also found that EXIM established a complaint resolution mechanism for EXIM-financed projects in response to OIG's 2015 inspection of the Sasan Project. In addition, the 2015 report found that Indian laws may have made it more difficult for EXIM to timely recover amounts due from foreclosure. However, in May 2016, those laws changed—obviating OIG's previous concerns.

For the Samalkot Project, EXIM's Board of Directors approved financing for the gas-fired power plant in 2011. However, Samalkot never received the gas from the Government of India required to operate the plant. As a result, the plant never became fully constructed and operational. Inconsistent payments on the loan have been made since April 2012; a default on the transaction would result in a potential monetary impact of up to (b) (4), more than one-third of the disbursed amount plus interest. OIG identified concerns about the equipment storage that could affect its resale value. If Samalkot does not sell the remaining power modules, EXIM may not receive final repayment. EXIM considers Samalkot a "stranded asset" based upon its status.

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OBJECTIVE

The Office of Inspector General (OIG) conducted two inspections—one on the Export-Import Bank of the United States’ (EXIM’s) project financing for the Sasan Power Limited (Sasan) Project and one on EXIM’s project financing for the Samalkot Power Limited (Samalkot) Project. The Sasan Project inspection is a follow-up inspection to work completed by OIG in 2015.¹ The individual objectives for each inspection are outlined below. Due to overlap between the two EXIM-financed projects, OIG is presenting the findings and recommendations for both inspections in a single, consolidated report.

Sasan Project Objectives

OIG initiated a follow-up inspection of EXIM’s Sasan Project, a coal-fired power plant and coal mine located in India, to evaluate the effectiveness of EXIM’s ongoing risk assessment and portfolio monitoring, including environmental and safety issues; assess the progress made in mitigating the legal and collection risks associated with the preferential foreclosure rights granted to Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) registered lenders; and assess the impact of select recommendations identified in OIG’s 2015 inspection report.

Samalkot Project Objectives

OIG also conducted an inspection of EXIM’s Samalkot Project, a gas-fired, combined-cycle electric power plant located in India, to perform a review of the agency’s risk assessment, due diligence, and portfolio monitoring processes involved in this project as well as understand the circumstances that led to the project becoming a “stranded asset”² and assess the current state and potential recovery value of the remaining assets. This inspection focused on a specific transaction that became a stranded asset and did not assess EXIM’s processes and procedures for managing stranded assets. However, OIG intends to initiate additional work in FY 2025 related to stranded assets.

Work for these two inspections occurred between August 2023 and July 2024. Additional information about the inspections’ scope and methodology is contained in [Appendix A](#).

¹ OIG, [Report on the Project Financing of Sasan Power Limited](#) (OIG-INS-15-02, September 28, 2015).

² For the purposes of this report, a stranded asset is an asset, or project, which is unable to generate anticipated revenue (e.g., worth less than expected, due to changes in the operational environment or structure, such as changes in a project’s ability to obtain the gas needed for operations).

BACKGROUND

About EXIM

EXIM is a wholly owned government corporation, established in 1934 through an Executive Order and subsequently made an independent agency through congressional charter in 1945. As the official export credit agency of the United States, EXIM's mission is to support American jobs by facilitating the export of U.S. goods and services primarily through financing and insurance programs.

EXIM supports U.S. exports by providing export financing in cases where the private sector is unable or unwilling to provide financing or where such support is necessary for U.S. exporters to remain competitive. EXIM's Charter requires reasonable assurance of repayment for the transactions that EXIM authorizes and close monitoring of credit and other risks in its portfolio. In fulfilling its mission, EXIM engages in project financing transactions, including the assessment of project risks, parties involved, and compliance with best practices. EXIM's obligations carry the full faith and credit of the U.S. Government.

Sasan Project

EXIM approved financing for Sasan Power Limited—owned by Reliance Power Limited (Reliance Power)—on October 21, 2010, to fund the development of the Sasan Project, which involved the construction and operation of a 3,960 megawatt (MW) coal-fired power plant and captive coal mine in the state of Madhya Pradesh, India.³ The Sasan Project aimed to contribute to India's energy infrastructure and meet growing demand for electricity in the country. The overall value of the Sasan Project is \$4.5 billion. The finance agreement with EXIM authorized \$650 million, of which EXIM disbursed (b) (4)⁴ The final payment on the credit agreement is due on September 20, 2026. As of June 30, 2024, Sasan had paid back (b) (4), or 67 percent of the principal amount disbursed, to EXIM under the terms of the financing agreement.⁵

A previous OIG inspection of the Sasan Project, conducted in 2015, highlighted specific findings related to the project's due diligence processes, risk assessment, and legal and collection risks pertinent to EXIM's involvement in the project.⁶ OIG made six recommendations to address areas requiring improvement, such as enhancing the analysis and evaluation of project risks, incorporating legal risks into the risk rating analysis, and mitigating the legal and collection risks

³ Reliance Power Limited is the sponsor for EXIM's financing. EXIM is one of the lenders for the Sasan Project.

⁴ According to EXIM, the difference between the authorized amount and the disbursed amount is due to contract breaches in 2014.

⁵ As of June 30, 2024, Sasan had a remaining outstanding balance of (b) (4) (principal).

⁶ OIG, [Report on the Project Financing of Sasan Power Limited](#) (OIG-INS-15-02, September 28, 2015).

posed by the preferential foreclosure rights. As of August 28, 2017, OIG closed all recommendations upon EXIM’s implementation of the recommendations.

Samalkot Project

EXIM approved financing for Samalkot Power Limited—also owned by Reliance Power—on September 15, 2011, to fund the development of the Samalkot Project, which involved the construction of a 2,262 MW gas-fired, combined-cycle electric power plant located in the state of Andhra Pradesh, India.⁷ EXIM provided a direct loan for an authorized amount of \$586 million, of which EXIM disbursed (b) (4). The Samalkot Project had a total cost of (b) (4). Samalkot never received the gas from the Government of India required to operate the power plant due to a shortage in gas supply.⁸ Consequently, the Indian government was unable to supply gas to Samalkot or other Indian power plants impacted by the gas supply shortage. The available gas supply needed for power plant operations continued to significantly decline as early as 2012, resulting in the discontinuation of all construction and building activities, except for preservation activities at the Samalkot site. As a result, the power plant never became fully constructed or operational. In October 2013, EXIM added the loan to its “Watch List” for potential impacts to a borrower’s ability to repay.⁹

Reliance Power, as the project’s sponsor and guarantor, has been the primary source of repayment on the (b) (4) loan amount.¹⁰ In February 2018, EXIM moved the project to its “Impaired Credit List.”¹¹ EXIM subsequently restructured the credit agreement in June 2019 to agree to an asset sales program, in which Samalkot would focus its efforts on selling its power modules to make the remaining payments on the outstanding loan balance with Reliance

⁷ Samalkot Power Limited is owned by Reliance Power Limited and Reliance CleanGen Limited, a subsidiary of Reliance Power. Reliance Power Limited is the guarantor of Samalkot’s financial obligations for the EXIM loan. EXIM is the sole lender for the Samalkot Project.

⁸ EXIM’s Board memorandum for the potential Samalkot Project transaction identified an uncertainty about natural gas availability in India, and it was stated that due to this uncertainty, the project may not be able to operate at its rated capacity during the initial years of operation or until the Government of India was able to drill additional wells to remedy low production.

⁹ According to EXIM’s Asset Management Division (AMD), the Watch List is a list of credits experiencing political, commercial, operational and/or technical events or situations, and/or Acts of God, which could affect the Borrower’s ability to service repayment of EXIM credits. This list is distinct from the “Watch List” maintained by EXIM’s Office of General Counsel, which EXIM states is a due diligence and risk mitigation tool that acts as a central repository of names of parties that have given rise to concerns by EXIM personnel.

¹⁰ According to EXIM, in project finance, a project sponsor is an individual—or, more typically, a company—that provides equity financing for the project via ownership of the project company, which is typically a special purpose company, or borrower, organized to construct and operate the project in implementation of the sponsor’s business plan. A project guarantor in a corporate financing, according to EXIM, is an individual—or, more typically, a company—that agrees to pay a borrower’s debt if the borrower defaults on its payment obligations to its lender(s).

¹¹ According to AMD, the Impaired Credit List includes transactions risk rated as (b) (4) and/or on the verge of delinquency due to political, commercial, operational and technical events or situations and/or acts of God that have affected the borrower’s ability to service repayment of EXIM guaranteed or direct loans.

Power remaining as the project guarantor. According to an EXIM official, the Samalkot Project is a “stranded asset” with no ability to generate revenues. As of June 30, 2024, nearly (b) (4) in principal and interest remained outstanding. See pages 17 to 19 of this report for further discussion about the remaining balance and potential monetary impact of the transaction.

The Samalkot Project’s original design included (b) (4) modules of combined cycle power generation, with each module consisting of (b) (4) gas turbines and (b) (4) steam turbine. Samalkot sold (b) (4) of the modules in 2021.¹² As of October 2023, the Samalkot Project had (b) (4) gas turbine generators being maintained at the site. Separately, (b) (4) disassembled steam turbine generators and (b) (4) heat recovery steam generators were in storage at the Kakinada Deep Water Port. At the time of this inspection, Samalkot and Reliance Power were attempting to sell the remaining power modules.

Figure 1, below, shows the two projects’ locations in India.



Figure 1: Locations of the Sasan and Samalkot Projects in India

Source: OIG visual using CIA World Factbook.

¹² The 2021 sale consisted of (b) (4). The other equipment sold included (b) (4).

EXIM's Project Monitoring Practices

EXIM is responsible for monitoring all project finance transactions to ensure that the borrower complies with the terms and conditions outlined in the transaction documents. As described below, EXIM coordinates with two independent consultant companies that support on-site monitoring and technical review for the Sasan and Samalkot Projects, to include environmental oversight of the projects.

Two EXIM Divisions Charged with Monitoring Project Finance Transactions

EXIM's Asset Management Division (AMD) and Engineering and Environment Division (E&E) have primary responsibility for monitoring the Sasan and Samalkot Projects on behalf of the agency. AMD manages all approved corporate and structured finance long-term transactions. Within AMD, the Special Assets Group (SAG) manages a portfolio of transactions that have been classified as an impaired credit. SAG manages both the Sasan and Samalkot Projects.¹³ SAG is responsible for monitoring compliance with the terms and conditions of the credit agreement; issuing any amendments or consent waivers; and restructuring transactions if the underlying business credit on which the transaction was underwritten no longer holds. SAG provides monthly portfolio risk management reports to EXIM senior management on credits, including those that are on the Watch List, and coordinates with internal and external legal advisors as well as technical consultants (i.e., engineering consultants and health and safety consultants).

E&E monitors EXIM-financed projects for compliance with the requirements of EXIM's Environmental and Social Due Diligence Procedures and Guidelines (ESPG), which incorporate the Organisation for Economic Co-operation and Development's (OECD) *Common Approaches* and International Finance Corporation's Performance Standards.^{14,15,16} Specifically, E&E assesses potential transactions against the ESPG to determine if the borrower can appropriately mitigate a project's environmental impact. E&E reviewed the environment and social impact assessments submitted prior to EXIM's approval of the Sasan and Samalkot Projects. E&E also conducts monitoring after EXIM finances a project to promote continued ESPG compliance. In addition, E&E has the primary responsibility for monitoring the technical performance of the project, including managing the relationship with independent consultants, receiving and

¹³ The Sasan and Samalkot Projects were not initially managed in SAG but received a higher risk rating as the projects progressed. In October 2013, Samalkot was moved to the Watch List. By February 2018, Samalkot was moved to the Impaired List. Sasan was moved to the Watch List in November 2013.

¹⁴ EXIM, [Environmental and Social Due Diligence Procedures and Guidelines](#) (June 27, 2013, revised December 12, 2013).

¹⁵ OECD, [Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence \(The "Common Approaches"\)](#), Revised 2024.

¹⁶ In April 2011, EXIM adopted the [Equator Principles](#), a global benchmark used by more than 140 financial institutions and export credit agencies to determine, assess, and manage the social and environmental risks of international project financing. The Equator Principles are based on the International Finance Corporation's Performance Standards on Environmental and Social Sustainability.

reviewing required operation and maintenance reports, and following up on any action to be taken.

Sasan and Samalkot Projects Subject to EXIM's Reporting and Compliance Requirements

The Sasan and Samalkot Projects are required under the terms of their respective credit agreements to provide EXIM with the necessary information and access to accomplish periodic monitoring and review of the projects. Under these agreements, the borrowers must notify EXIM within five business days of any fatalities, fires, or explosions related to the projects. In addition, EXIM is to be notified of any environmental or social event resulting in injury or death, any strike or civil unrest, and any significant social event connected to the specific project. Per the credit agreements, each borrower is also required to ensure compliance with EXIM's ESPG.

Independent Consultants Assist with Project Monitoring

For the Sasan and Samalkot Projects—defined as Category A projects¹⁷, EXIM required the borrower (i.e., Sasan) to retain an independent, outside consultant to monitor the project's performance and level of compliance, such as compliance with environmental, health, and safety standards. As such, Sasan pays for the independent consultants in alignment with the credit agreements. The credit agreements also required that both projects comply with the consultants' reported recommendations.

The borrowers contracted with two independent consultants to conduct independent monitoring and oversight of the Sasan and Samalkot Projects. Specifically, one independent consultant provides quarterly technical monitoring reports for Sasan and quarterly preservation and maintenance monitoring for Samalkot to EXIM and Reliance Power. Separately, another independent consultant provides quarterly environmental and social monitoring reports for the Sasan Project and monitors the coal mine and power plant to ensure that the project complies with applicable environmental, health, and safety requirements.¹⁸

SASAN PROJECT FINDINGS

OIG found that significant incidents occurred, resulting in 14 deaths, since our 2015 inspection despite ongoing monitoring by EXIM and two independent consultants. EXIM's enhanced monitoring efforts did not detect the building of an unpermitted ash pond or ensure that Sasan addressed maintenance and inspection issues. In addition, OIG identified a potential financial risk associated with the Sasan Project's compliance with the Indian government's flue-gas desulfurization requirement. Further, OIG determined that other concerns identified in OIG's

¹⁷ Category A projects are those that have potential for significant impact, according to EXIM.

¹⁸ At the start of the Samalkot Project, Reliance Power hired a different independent consultant for environmental monitoring, however given the current state of the project, this monitoring does not occur.

2015 inspection of the Sasan Project—specific to complaint resolution and India’s SARFAESI law—are no longer applicable.

Finding 1: Incidents, Resulting in Fatalities, Continued Despite Enhanced Monitoring

OIG found that significant incidents occurred—resulting in 14 deaths—and environmental, health, and safety concerns associated with the Sasan Project persisted despite improvements to monitoring efforts by EXIM and the two independent consultants since OIG’s 2015 inspection. The Sasan Project has resulted in 55 serious incidents, and 35 people have died in connection with the project since it began in 2010; 14 fatalities occurred after OIG’s 2015 inspection.¹⁹ Following OIG’s 2015 inspection, EXIM initiated an enhanced monitoring plan. However, EXIM’s monitoring did not identify additional environmental, health, and safety issues, which resulted in incidents that caused significant harm, including injuries and fatalities. For example, a Sasan contractor breached an unpermitted ash pond located at the site in April 2020, flooding the adjoining farmland and village with ash slurry. This incident resulted in six deaths, including two women and three children.²⁰ Despite EXIM’s enhanced monitoring efforts, the agency was unaware of the existence of the additional, unpermitted ash pond that was breached in 2020, until after the incident occurred.

OIG Previously Identified Deficiencies in EXIM’s Monitoring of the Project

In a 2015 inspection of the Sasan Project, OIG found that the independent consultants were not completing required site visits and associated reports related to the project’s environmental and social performance.²¹ In addition, OIG found that notifications of health and safety incidents—including fatalities associated with the project—were untimely. OIG recommended that EXIM establish an agreed upon timeline for site inspections and due dates for the consultant monitoring reports. OIG also recommended that EXIM establish formal policies and procedures for enhanced risk-based monitoring and reporting for projects with serious or repetitive violations with respect to the agency. EXIM implemented or resolved all recommendations contained in OIG’s 2015 report by August 2017.

OIG determined during this inspection that EXIM took several steps to address the deficiencies OIG previously identified. Specifically, EXIM developed an enhanced monitoring plan that included the Sasan Project and three other projects in response to the 2015 recommendation. According to this plan, EXIM sought to take “immediate [sic] protective action” for financial risk

¹⁹ This fatality count does not include an incident where an individual succumbed to a cardiac arrest unrelated to the power plant’s operations in 2022.

²⁰ According to the U.S. Environmental Protection Agency (EPA), coal ash is generated by coal burned at the power plant and is disposed of in large ponds called surface impoundments, or ash ponds. See <https://www.epa.gov/coalash/frequent-questions-about-2015-coal-ash-disposal-rule> (last visited Sept. 4, 2024). According to one of the consultants, ash slurry is a combined mix of coal ash and water.

²¹ OIG, [Report on the Project Financing of Sasan Power Limited](#) (OIG-INS-15-02, September 28, 2015).

management. For example, the plan included actions and information about addressing debt liability. However, the plan contained limited information about addressing known environmental, health, and safety risks beyond hiring a health and safety manager. OIG also determined that EXIM was engaged in routine monitoring of the transaction, including through the review of reporting submitted by the consultants.²² In addition, EXIM staff completed at least 12 site visits to the Sasan Project since 2012. At the time of this inspection, however, EXIM staff had not physically visited the power plant since the end of 2018.²³

Incidents Continued Despite Enhanced Monitoring Efforts

OIG found that additional environmental, health, and safety incidents continued to occur at the Sasan Project site despite EXIM’s enhanced monitoring efforts, described above. OIG is aware of at least 14 deaths that occurred in connection with the project since OIG’s 2015 inspection. Table 1, below, provides examples of health and safety incidents resulting in fatalities at the Sasan Project between October 2015 and April 2024. During interviews with OIG, EXIM employees acknowledged that the fatalities and other incidents at the Sasan Project resulted in environmental and safety concerns and created reputational risk for the agency.

Table 1: Examples of Health and Safety Incidents Resulting in Fatalities at the Sasan Project, between October 2015 and April 2024

<i>Incident Date</i>	<i>Description</i>	<i>Location</i>	<i>Fatalities</i>
May 2016	A worker short-circuited the dozer engine starter switch, which caused the machine to run over another employee who was working below.	Coal Mine	1
November 2018	A welder sustained fatal injuries while performing welding work.	Coal Mine	1
April 2020	A contractor working on the unpermitted ash pond caused a breach in the retaining wall, resulting in an overflow that killed the contractor along with five local villagers.	Unpermitted Ash Pond	6
February 2022	An employee exited through the top of a stalled elevator to escape when the elevator began operating again, which resulted in his death.	Boiler Unit #4	1

Source: OIG presentation of information obtained from EXIM and Sasan.

²² EXIM officials told OIG that the agency conducts quarterly monitoring of a transaction during the construction stage of a structured project finance transaction. According to EXIM officials, a given project will move from the construction stage to the operational stage once the facility satisfies completion criteria, which involves passing six specific unit tests. At the operational stage, the facility requires annual monitoring, which entails less frequent site visits and discussions. While the Sasan power plant is operational and producing power, the Sasan Project remains in the construction stage for monitoring purposes, as it has (b) (4). As a result, EXIM continues to require quarterly site visits and more frequent monitoring for the Sasan Project.

²³ EXIM staff had a trip canceled in April 2020, due to the COVID-19 pandemic and also had to change an onsite visit planned for May 2022, to a virtual site visit unexpectedly.

EXIM, Consultants Unaware of Unpermitted Ash Pond that Resulted in Six Fatalities

OIG also found that EXIM's monitoring of the Sasan Project did not ensure the agency was aware of the creation of an unpermitted ash pond at the project site until a Sasan contractor breached the pond in April 2020; the second major incident at an ash pond during the project's history. The Sasan Project produces 18 million tons of coal each year. Forty-five percent of the coal (or eight million tons) produces non-biodegradable ash that must be stored. The power plant primarily stores the ash by creating a slurry—a sludgy composition of ash and water—and depositing it into the main ash pond on the plant's site. The main ash pond is the primary means for disposing of, or managing, the ash production at the project site. Sasan obtained a permit from the Madhya Pradesh Pollution Control Board (MPPCB) to conduct fly ash filling in low-lying areas on February 13, 2018.²⁴ Sasan then turned the approved low-lying area into an unpermitted ash pond.

According to EXIM officials and Sasan documentation of the incident, a Sasan contractor operated an excavator on a retention wall of this unpermitted ash pond. The Sasan contractor was completing work to increase the height of the unpermitted ash pond wall by adding soil to the top of the wall. From an eyewitness account, the excavator got too close to the downstream edge of the unpermitted ash pond wall, and the excavator started sliding down the slope of the retention wall. To stop sliding, the operator anchored the excavator into the retention wall. However, in that attempt to stop sliding, the excavator damaged the retention wall of the unpermitted ash pond, as the excavator kept sliding down the wall. As a result of the damage from the excavator, the wall began to break, and the ash and slurry started flowing out. Subsequently, fly ash along with water gushed out through the unpermitted ash pond, sending both the excavator and the contractor out of the area. The breach flooded the adjoining farmland and nearby village with ash slurry. Consequently, the Sasan contractor operating the excavator along with five villagers died in the incident.

Based upon an after-action review of the April 2020 incident conducted by a research institute created and funded by the Government of India, starting in March 2019, Sasan began discharging fly ash slurry (water and ash) to an unpermitted ash pond when they had only been approved to put dry ash in that area. This report stated that Sasan had disposed of around one-million-tons of fly ash slurry to the unpermitted ash pond from March 2019, until the April 2020 incident. When the unpermitted ash pond wall broke, more than one-million-tons of fly ash slurry flooded 6.5 kilometers (4 miles) of the surrounding area and reached the banks of a nearby river. Sasan created this unpermitted ash pond without MPPCB approval and contrary to the requirements of the February 13, 2018, permit. Further, these parties assert that they each were not aware of this unpermitted ash pond or the site of the April 2020 breach.

Records reviewed and interviews conducted by OIG indicate that EXIM first learned of the unpermitted ash pond after the April 2020 breach occurred. According to the independent

²⁴ According to the EPA, fly ash is a very fine, powdery material composed mostly of silica made from the burning of finely ground coal in a boiler. See <https://www.epa.gov/coalash/coal-ash-basics> (last visited Sept. 4, 2024).

consultant, they first learned of the unpermitted ash pond breach through a news article about the incident. The consultant then alerted an EXIM official of the incident via email the next day. The EXIM official then reached out to Reliance Power and Sasan officials via email requesting “information on the details and impact on the plant and community if any immediately.” Shortly thereafter, a Reliance Power official confirmed by email that the unpermitted ash pond breach occurred, noting that the “break in ash dump yard wall pushed the water leading to break in the boundary wall affecting some thatched houses and minor land parcel.” The Reliance Power official stated that they were “investigating the reasons underlying the incident.” Prior to the unpermitted ash pond breach, Sasan had neither informed EXIM nor the consultant of the permit it received for fly ash filling activity, as required under the credit agreement. Moreover, the creation of the additional unpermitted ash pond did not comply with EXIM’s credit agreement because the additional unpermitted ash pond would have required additional environmental, health, and safety reviews and possible mitigation measures. Finally, the lack of notification to EXIM and the independent consultants prevented monitoring and assessments of the unpermitted ash pond creation and maintenance.²⁵

Additional Concerns Raised About Capacity of the Main Ash Pond

In addition to the 2020 incident at the unpermitted ash pond, documentation reviewed by OIG as part of this inspection indicates that one of the consultants was concerned that the Sasan Project’s ash production will eventually exceed the current capacity of the main ash pond. According to EXIM, it communicated concerns about storage capacity in November 2018 and requested that Sasan develop and implement an action plan. Sasan did take action to expand the capacity of the main ash pond. In September 2024, the independent consultant provided EXIM a final close out report of its review and testing, which found no material issues with the main ash pond walls and expansion efforts. As of September 2024, the main ash pond is projected to have 5.3 years of ash storage capacity.²⁶ Of note, Sasan’s efforts to build an unpermitted ash pond occurred concurrently with the main pond expansion efforts. Figures 2 and 3, below, show the main ash pond at the Sasan site.

²⁵ The Sasan Project site is spread over 3,726 acres of land for its power plant and coal mine, plus almost 9 miles of an overland coal conveyor belt. The consultants do not cover the entire site on every site visit.

²⁶ According to the consultant, there are several options to address its concerns about future ash production. These options include increasing the bund height of the main ash pond to expand the storage capacity; finding buyers for the ash that can use it to make bricks; burying the ash at the onsite coal mine; or transporting the ash offsite to another ash pond.



Figures 2 and 3: Main Ash Pond at Sasan Project

Source: OIG photo taken during site visit October 11, 2023.

Note: Figure 2 (left) shows pipes at the main ash pond at the Sasan Project that may pipe ash slurry in or water out for recycling; two smokestacks are visible in the background. Figure 3 (right) shows the main ash pond and the bund, an embankment that holds the ash slurry in the pond.

EXIM Described Actions to Address Environmental, Health, and Safety Concerns

As previously described, EXIM has a responsibility to monitor the Sasan Project's compliance with environmental, health, and safety requirements. EXIM officials explained that a broad policy that dictates generic monitoring activities for a hypothetical situation would not successfully capture possible situations in a real-world scenario and the needed response. An EXIM official noted EXIM-financed projects usually did not require enhanced monitoring activities; however, according to EXIM officials, the Sasan Project was the most challenging project to monitor due to a high number of environmental, health, and safety incidents occurring over the course of the project. Individuals interviewed by OIG described specific steps taken in response to incidents at the Sasan Project, including two occupational health and safety assessments and additional elevator safety training after a fatal incident occurred in February 2022 caused by improper use of an elevator.²⁷ According to EXIM officials, these actions resulted in improvement in operational health and safety performance by Sasan. For example, following an employee death related to the February 2022 elevator malfunction, phones were installed in all the boiler unit elevators to be used for communication in the event of a future emergency.

As evidenced by the history of fatalities, environmental, health, and safety incidents associated with the Sasan Project, and instances of non-compliance with the credit agreement, the Sasan Project has a higher risk potential that another major incident may occur. Approximately (b) (4) remain on the repayment schedule for the Sasan Project. Accordingly, EXIM has an obligation to conduct enhanced monitoring of the project, such as comprehensive site visits, to ensure compliance with the credit agreement and to effectively mitigate the environmental,

²⁷ See Table 1.

health, and safety risks. Moreover, EXIM faces reputational risks associated with financing projects that result in numerous fatalities and produce environmental hazards that negatively affect surrounding communities.

Recommendation 1: EXIM’s Engineering and Environment Division, in coordination with the Asset Management Division/Special Assets Group, should update EXIM’s enhanced monitoring plan for the Sasan Power Limited Project to incorporate and require more robust compliance monitoring, to include onsite monitoring, of environmental, health, and safety standards, as required by the credit agreement.

Recommendation 2: EXIM’s Engineering and Environment Division, in coordination with the Asset Management Division/Special Assets Group and the independent consultants, should identify additional information sources about activities or concerns related to the Sasan Project to help provide more robust enhanced monitoring, such as input from the local community.

Recommendation 3: EXIM’s Asset Management Division/Special Assets Group, in coordination with the Engineering and Environment Division and the Office of General Counsel, should conduct a review of the Sasan Project to determine what additional accountability mechanisms could be included in credit agreements on future EXIM-financed projects to allow for additional accountability or enforcement authority when a borrower or project sponsor does not comply with the terms of the credit agreement.

Finding 2: EXIM’s Monitoring Efforts Did Not Ensure Sasan Addressed Maintenance and Inspection Issues

OIG found that current monitoring efforts by EXIM and the independent consultants did not always identify and address routine maintenance and operational deficiencies at the Sasan Project. Specifically, OIG found that concerns existed surrounding the routine maintenance and operational upkeep of the Sasan Project, including the transformers and the conveyor belt used for coal transport. Insufficient maintenance of the Sasan Project could threaten the financial viability of the transaction or create safety risks. As described below, according to EXIM, it does not have the ability to ensure Sasan complies other than declaring an event of default.

Transformer Maintenance Issues Affect Project Reliability

Insufficient preventative maintenance of the (b) (4) transformers at the Sasan power plant may have contributed to (b) (4) transformer explosions in 2022, and created risks of future malfunctions. Transformers are a key component to power plant operations. In August 2022, (b) (4) transformers at the Sasan site exploded. The resulting power outage from the transformer explosions adversely affected the power plant’s production of electricity. Sasan’s routine testing prior to those transformers exploding did not identify any abnormality; according to EXIM, transformer failure is not possible to predict. However, root cause analysis testing subsequently conducted by a third party concluded that for (b) (4) transformer deformation of the high voltage winding and resulting inter-turn short-circuit occurred during the high

magnetic in-rush current; the (b) (4) transformer explosion resulted from the failure of the off circuit tap changer.

According to a consultant, the conditions of the (b) (4) transformers at the power plant create risk of further malfunctions. Figures 4 and 5, below, show images of transformers at the Sasan site. Moreover, as of October 2023, the Sasan Project only had (b) (4) back-up transformer. The consultant believes there should be (b) (4) back-up transformers at the project site. The same consultant previously recommended a check of the remaining transformers but has not received any report concerning this activity. Consulting staff told OIG that the current transformers have a high demand, and the Sasan power plant has been ranked as one of the most productive plants in India—operating with a transformer load factor of at least 90 percent on a continuous basis, sometimes up to 96 percent capacity.²⁸ As a result, the current transformers do not have the capability to cover or account for a loss of capacity if a transformer has to be taken offline or explodes.



Figures 4 (Left) and 5 (Right): Transformers at Sasan Project

Source: OIG photo taken during site visit October 11, 2023.

Note: Figure 4 shows transformers at the Sasan power plant. Figure 5 shows a “Danger” access marking for safety in the vicinity of the transformers at the power plant.

The consultant stated that not enough preventative measures, such as having the original manufacturer of the transformers or experts inspect each transformer, have been taken at the project. According to Sasan officials, the transformers will be inspected two at a time over the

²⁸ Sasan’s transformers had a load factor of at least 90 percent to produce enough electricity for the demand since Sasan’s FY 2019 (April 1, 2018, to March 31, 2019) through September 2023 (partial FY 2024), except for the year when the (b) (4) transformers exploded and the average load factor dropped to 86 percent for Sasan’s FY 2023.

next several years. Because damage or issues with the transformers can directly impact power plant operations, Sasan not ensuring proper maintenance and upkeep of these transformers may put the project's financial stability at risk.

OIG Observed Maintenance Concern with Coal Conveyor Belt

OIG's inspection also identified an apparent lack of maintenance to the 14.5 kilometers (9 miles) conveyor belt used to transport the coal from the nearby mines to the power plant. As shown in Figure 6, below, netting hangs underneath the conveyor belt to catch any coal that may fall from the conveyor belt during transport. According to Sasan, power plant staff perform system wide maintenance of the conveyor system twice weekly. Any deficiencies identified would be addressed during this scheduled maintenance period.



Figure 6: Conveyor Belt at Sasan Project

Source: OIG photo taken during site visit on October 12, 2023.

Note: This photo shows the conveyor belt structure used to move coal from the mine to the power plant. The netting used to catch any coal that falls off the conveyor belt is visible hanging beneath the belt. If the netting has holes or rips, then coal can drop from the conveyor belt and cause injury to someone on the ground.

During this inspection, OIG identified concerns with the netting attached to the conveyor belt but found EXIM had no knowledge of issues with the conveyor belt and netting until OIG informed EXIM staff. In response to this information, EXIM requested that the consultant monitor the condition and maintenance schedule of the coal conveyor belt. The consultant's March 2024 quarterly report highlighted (b) (4) [REDACTED]. The consultant stated that the belt and the net below the conveyor belt had been repaired prior to their site monitoring trip that followed. According to EXIM, additional portions of the belt are scheduled to be replaced this year.

Insufficient Monitoring and Maintenance Could Affect Financial Viability, Create Safety Risks

The credit agreement requires Sasan to execute and complete the construction, commissioning, and performance testing of the Sasan Project with due diligence and continuity in accordance

with generally accepted construction and engineering practices. In addition, the independent consultants in some instances made recommendations in their quarterly reports (b) (4). Despite these recommendations, Sasan did not always address the issues. According to EXIM, Sasan management in some cases may elect not to implement recommendations. In addition, EXIM stated it does not have the ability to ensure Sasan complies other than declaring an event of default.

Despite EXIM's reported monitoring activities, maintenance and inspection issues were either missed or not properly addressed in a timely manner. Insufficient maintenance associated with the transformers and conveyor belt highlight concerns regarding potential impact to overall operations. Any resulting incidents may negatively affect power plant operations, including the financial viability of the project or create additional safety risks.

Recommendation 4: EXIM's Engineering and Environment Division, in coordination with Asset Management Division/Special Assets Group, should incorporate routine maintenance and operations into its update of the enhanced monitoring plan, to include clarifying roles and responsibilities, for the Sasan Power Limited Project.

Recommendation 5: EXIM's Asset Management Division/Special Assets Group should require Sasan Power Limited, in coordination with Reliance Power Limited as the project sponsor, to have the original manufacturer perform detailed inspections of all transformers at the Sasan Power Limited Project.

Finding 3: Continued Monitoring of Compliance with India's Flue-Gas Desulfurization Requirement is Necessary to Mitigate Potential Loan Repayment Risk

OIG found that the estimated costs for the Sasan Project to comply with the Government of India's flue-gas desulfurization requirement pose a potential financial risk that may affect Sasan's ability to meet the loan repayment schedule. All fossil-fueled power plants in India, including the Sasan power plant, must install flue-gas desulfurization equipment to remove sulfur dioxide from exhaust flue gases by December 31, 2026.²⁹ This installation deadline has been previously extended, and, according to EXIM, the Government of India is reviewing the current deadline and requirements. According to Reliance Power, the estimated cost for Sasan to acquire the equipment necessary to comply with this requirement is expected to exceed (b) (4). The consultant told OIG in February 2024, that if Sasan does not begin the process

²⁹ India's Ministry of Power has set implementation timelines for fossil-fueled power plants to comply with the desulfurization requirements. The Sasan power plant has a deadline of December 31, 2026, since it is a Category C plant based upon its location. For more information on the compliance deadlines, see India's Ministry of Power press release from February 8, 2024: <https://www.pib.gov.in/PressReleaseSelfframePage.aspx?PRID=2003929> (Accessed on July 22, 2024).

of acquiring the equipment in an intentional way, it could put EXIM's repayment at risk. As of June 2024, Sasan owed an estimated (b) (4) on its EXIM loan.

Recommendation 6: EXIM's Asset Management Division/Special Assets Group should identify any potential financial risks associated with Sasan Power Limited's ongoing efforts to comply with India's flue-gas desulfurization requirement and develop risk mitigation actions, as appropriate.

Finding 4: Other Concerns Identified in OIG's 2015 Inspection Are Resolved

OIG determined that other concerns identified in OIG's 2015 inspection of the Sasan Project are resolved. Specifically, OIG's prior Sasan Project inspection in 2015, found that EXIM did not have a formal mechanism to resolve complaints by parties who claim to be adversely affected by EXIM-funded projects.³⁰ In addition, the prior inspection found that a provision of India's domestic law—SARFAESI—afforded EXIM fewer foreclosure rights in India.

As part of this inspection, OIG conducted follow-up work on the two previous findings and found that both matters had been resolved, with no further action required. OIG determined that EXIM established a formal process for responding to complaints concerning EXIM projects. As of May 2024, EXIM received two submissions related to the Sasan Project—one submission in 2016 and another in 2021.³¹ OIG reviewed both submissions and confirmed EXIM properly catalogued and responded to the submissions. Separately, India passed the Insolvency and Bankruptcy Code of 2016, as well as amended SARFAESI in 2016.³² EXIM determined that with the amendment of SARFAESI, EXIM has equal foreclosure rights as those of SARFAESI lenders; the Insolvency and Bankruptcy Code of 2016 does not differentiate between lenders based on their residency status.

SAMALKOT PROJECT FINDINGS

OIG found that, in 2011, EXIM's Board of Directors (Board) approved the Samalkot transaction despite knowing the project lacked a confirmed source of natural gas sufficient for overall power plant operations, and, as a result, Samalkot could not make consistent payments on EXIM's loan. Samalkot must sell its remaining power modules to help repay the EXIM loan (totaling almost (b) (4) in remaining principal and interest at the time of this inspection). In addition, concerns exist as time passes about the usability of and need for the Samalkot Project's remaining equipment by potential buyers.

³⁰ OIG, [Report on the Project Financing of Sasan Power Limited](#), OIG-INS-15-02, September 28, 2015.

³¹ EXIM did not receive complaints related to the Samalkot Project.

³² SARFAESI, Section 13(9) was amended to note that it was subject to the provisions of the Insolvency and Bankruptcy Code of 2016.

Finding 5: EXIM’s Board of Directors Approved Samalkot Transaction Despite Lack of Confirmed Gas Source; Repayment Contingent on Sale of Remaining Power Modules

OIG found that EXIM’s Board approved the Samalkot transaction despite the project lacking a confirmed source of natural gas sufficient for overall power plant operations. As a result, EXIM is now reliant on Samalkot’s efforts to sell the (b) (4) remaining power modules to prevent financial losses. As of June 2024, Samalkot owed EXIM almost (b) (4) in principal and interest, and the remaining power modules had not been sold.

Board Approved Transaction Despite Lack of Confirmed Gas Source

OIG found that EXIM’s Board reviewed and approved the Samalkot Project financing on September 15, 2011, despite knowing that Samalkot lacked a confirmed source of gas. To mitigate the uncertainty with the gas access, the initial credit agreement required Reliance Power, as guarantor, to make full loan repayment even if Samalkot never received gas approval from the Indian government. According to EXIM, Samalkot made consistent payments on the loan as required until April 2012—less than a year after EXIM’s Board approved the project. According to EXIM’s FY 2023 annual risk rating memo, Reliance Power became the primary source of repayment starting in April 2014; however, Reliance Power stopped making payments in October 2018, due to its inability to provide continued financial support. Accordingly, Reliance Power has not been consistent with making payments for the project.

EXIM Restructured Agreement to Prioritize Resale of Equipment

OIG found that EXIM restructured the credit agreement with Samalkot and Reliance Power in June 2019, to focus on Samalkot and Reliance Power hiring marketing agents to help sell the equipment constructed for the no longer viable project. The equipment sales are needed so Samalkot and Reliance Power can generate revenue and make payments on EXIM’s loan. Samalkot identified and established agreements with marketing agents who refer potential interested parties or buyers.

Per the June 2019 restructured agreement, Samalkot and Reliance Power must arrange for an orderly sale of the equipment for the project. The proceeds from the 2021 sale of the first module satisfied a portion of the remaining amount owed and constituted the payments that Samalkot made to EXIM since the time of the executed restructured agreement through November 2021. Samalkot owns the remaining equipment and has primary responsibility along with Reliance Power for the sale of such equipment.

On June 18, 2021, EXIM granted Samalkot an extension for the installment payment due on June 30, 2021, extending the maturity date to June 30, 2022. Given that the proceeds from the sale of the first module did not cover future obligations after November 2021, on May 31, 2022, EXIM granted an extension for the payment due on June 30, 2022, to June 30, 2023. Subsequently, EXIM granted another extension, extending the maturity date to June 30, 2024, and then again extended the maturity date to June 30, 2025. As of report issuance, the

equipment remains unsold. Should the equipment remain unsold, EXIM stated that Reliance Power, as the project’s guarantor, is required to repay the remaining amount. According to EXIM, it has not required Reliance Power to repay the remaining amount without selling the equipment because (b) (5) [REDACTED]. Since November 2021, no payments have been made for the project.

An EXIM senior official noted that Samalkot has the potential to sell the remaining power modules based on the number of interested parties. The sale of the power modules is estimated to be enough to pay Samalkot’s outstanding loan balance. Reliance Power officials told OIG that they believed EXIM could do more to support the sale of the equipment; according to EXIM officials, Reliance Power did not share this feedback with them. Reliance Power did note, however, that EXIM has assisted by coordinating with consulates from other countries on the sale of the modules.

Transaction at Heightened Risk of Default

While EXIM included language in the credit agreement that requires loan payment even if the power plant never became operational, Samalkot has not made a payment since November 2021, and had an outstanding balance of almost (b) (4) [REDACTED] at the end of June 2024— (b) (4) [REDACTED] in remaining principal balance and (b) (4) [REDACTED] in remaining interest. As a result, according to EXIM, the agency has three options to deal with the Samalkot Project: (1) assist Samalkot in selling the remaining equipment so that Samalkot and Reliance Power can at least repay part of the loan; (2) anticipate that Reliance Power, on behalf of Samalkot, can re-start payments on the loan balance; or (3) allow a loan default. If Reliance Power defaults on the loan for the Samalkot Project, (b) (5) [REDACTED]. Such a default would represent to a monetary impact of more than one-third of the disbursed amount plus interest (approximately (b) (4) [REDACTED]) as a potential loss to the government.³³

EXIM has extended the credit agreement terms to June 2025, indicating that it is supporting Samalkot’s efforts to sell the remaining power modules. As time passes, the equipment may become less attractive for resale due to advancing technology and the effects of natural elements on the equipment, which increases EXIM’s risk of obtaining full repayment. As indicated above, it is in EXIM’s interest for the agency to take action to help ensure Samalkot successfully sells the power modules before the value of the equipment depreciates.

Recommendation 7: EXIM’s Office of Board Authorized Finance should conduct a review of the Samalkot Power Limited Project’s transaction approval to determine if EXIM properly identified and accounted for the financial risks specific to the absence of a

³³ According to guidance issued by the Council of the Inspectors General for Integrity and Efficiency in August 2024, 5 USC § 405(a)(5)(F) allows an OIG to identify “other” savings not specifically outlined under the Inspector General Act to be used to calculate potential monetary impact, such as lost revenue or waste.

confirmed source of gas to support the project, and if any lessons learned can be applied to future EXIM transactions.

Recommendation 8: EXIM’s Asset Management Division/Special Assets Group should develop an action plan to assist in the identification of potential buyers for the (b) (4) remaining power modules.

Finding 6: Samalkot Project’s Remaining Equipment Raises Usability Concerns

OIG found that the usability of and demand for the Samalkot Project’s remaining equipment by potential buyers will decrease over time, which puts EXIM at risk for not recouping additional payments on the remaining loan balance for the project. Moreover, the equipment that Samalkot plans to sell has not been fully inspected by the original manufacturer since 2016.³⁴ Samalkot stores some equipment outdoors or in warehouses at a seaport, where natural elements can harm the equipment. Figures 7 and 8, below, show how parts were stored at the Samalkot site during OIG’s inspection in October 2023.



Figures 7 and 8: Parts Storage at Samalkot Project

Source: OIG photo taken during October 4, 2023, site visit.

Note: Figure 7 (left) shows auxiliary parts being stored inside a shipping container at the project site. Figure 8 (right) shows noncritical parts being stored outside under tarps at the port.

Views Differ on Storage Risks

EXIM officials informed OIG that the original manufacturer did not have a concern about the storage location because the manufacturer did not object to it when the equipment fell within

³⁴ A baroscopic test of the power modules occurred in March 2022; even still, the independent consultant has recommended a full inspection to assess the internal condition of the equipment.

the warranty period. In addition, according to EXIM officials, the successful sale of (b) (4) power module in 2021, indicated to EXIM that the location did not affect the useability of the equipment because it could be refurbished. Furthermore, EXIM indicated that Samalkot painted the remaining equipment, and recent potential buyers have seen the equipment and not complained about the appearance or storage location. (b) (5)

By contrast, the consultant stated that the equipment preservation needs improvement and noted that the equipment sold in 2021, suffered from exterior equipment corrosion. According to the consultant, while the main steam gas turbine was in good condition, the bottom and top covers had corroded. The consultant opined that the atmosphere at the seaport will severely shorten the life span of the equipment and that more funding may be needed to preserve it. In addition, the consultant stated that the manufacturer has not visited to physically inspect the remaining equipment since 2016, more than eight years ago. Finally, the consultant raised issues with the equipment in (b) (4) that EXIM received. Specifically, (b) (4) the consultant made (b) (5)

According to EXIM, the buyer has the ability to decide if it wants a warranty or if it is capable of maintaining the equipment itself.

Credit Agreement Requires Equipment Preservation for Resale

The credit agreement, as restructured in June 2019, requires routine maintenance to protect the equipment from natural elements and preserve for resale. According to Samalkot, its engineers preserve the equipment at both the power plant site and seaport with proper protection from the natural elements, which helps ensure the life of the equipment. EXIM officials noted that they did not have concerns about the location of the remaining equipment nor about the ability to sell the equipment, as EXIM officials believed that a specific market still exists for this equipment. As noted in Finding 6, the sale of the equipment is one of EXIM's primary means for receiving final loan repayment. Without an inspection of the equipment, (b) (4), potential uncertainty exists surrounding the equipment's resale value and usability and could directly impact EXIM's ability to be repaid the remaining (b) (4) it is owed, including around (b) (4) in potential lost revenue from the interest payment.

Recommendation 9: EXIM's Asset Management Division/Special Assets Group should require verification of equipment inspections at a frequency determined by industry standard, Samalkot Power Limited, Reliance Power Limited, and the independent consultants to ensure the equipment is maintained in a manner that allows the equipment to be sold.

CONCLUSION

As there has been challenges directly impacting the financial, reputational, environmental, health, and safety risks—i.e., loss of lives, potential loss of taxpayer funds, potential loss of revenue for EXIM, and repeated challenges with the borrowers and project sponsors—EXIM may want to consider factoring these risks into any future due diligence reviews for Reliance Power, Sasan, and Samalkot. These projects also provide EXIM with lessons learned that may strengthen credit agreements and help inform and improve the agency’s monitoring and oversight of EXIM-financed transactions.

RECOMMENDATIONS

OIG provided a draft of this report to EXIM stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to EXIM. The agency's complete response can be found in [Appendix B](#).

Recommendation 1: EXIM's Engineering and Environment Division, in coordination with the Asset Management Division/Special Assets Group, should update EXIM's enhanced monitoring plan for the Sasan Power Limited Project to incorporate and require more robust compliance monitoring, to include onsite monitoring, of environmental, health, and safety standards, as required by the credit agreement.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that it would review and update EXIM's enhanced monitoring plan for the Sasan Power Limited Project to the extent necessary to incorporate existing procedures covering operations and maintenance activities, monitoring of environmental, health, and safety standards, and related site visits, as authorized by the EXIM financing documentation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM updated its enhanced monitoring plan for the Sasan Power Limited Project to incorporate and require more robust compliance monitoring, to include onsite monitoring of environmental, health, and safety standards, as required by the credit agreement or other EXIM financing documentation.

Recommendation 2: EXIM's Engineering and Environment Division, in coordination with the Asset Management Division/Special Assets Group and the independent consultants, should identify additional information sources about activities or concerns related to the Sasan Project to help provide more robust enhanced monitoring, such as input from the local community.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that its Engineering and Environment Division, in coordination with the independent consultants, would identify additional information sources about activities or concerns related to the operations and maintenance, and environmental, health, and social requirements to be followed by the Sasan Project to enhance further the scope of monitoring activities if feasible and justified by a cost/benefit assessment analysis. EXIM also noted that its independent consultant meets with individuals from the local community during the quarterly site visits. EXIM further noted the consultant follows up on complaints received through EXIM's online complaint portal, when applicable.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM identified additional information sources about activities or concerns related to the Sasan Project, or provides OIG with a

cost/benefit assessment analysis that demonstrates why EXIM is unable to identify additional information sources to help provide more robust enhanced monitoring.

Recommendation 3: EXIM’s Asset Management Division/Special Assets Group, in coordination with the Engineering and Environment Division and the Office of General Counsel, should conduct a review of the Sasan Project to determine what additional accountability mechanisms could be included in credit agreements on future EXIM-financed projects to allow for additional accountability or enforcement authority when a borrower or project sponsor does not comply with the terms of the credit agreement.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that the Asset Management Division/Special Assets Group, in coordination with the Engineering and Environment Division and the Office of General Counsel, noted the financing documents for governing Sasan do not provide a suitable template into which improvements should be incorporated. EXIM explained that these documents have not been duplicated for any subsequent transactions after the Sasan Project. EXIM also stated that it would, if necessary or appropriate, review its form credit agreement used in project finance transactions to determine what additional reporting and accountability mechanisms could be included in the EXIM credit agreement or the common terms agreement in future projects. EXIM further stated that it is not a regulatory or permitting agency, so it does not have the ability to legally enforce actions to be taken by a project and it exercises no direct control of project activities during operation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM has conducted a review of its form credit agreement used in project finance transactions, to include applying any lessons learned from the Sasan Project, and determined what additional accountability mechanisms could be included in future credit agreements. While EXIM noted that the Sasan Project transaction does not provide a suitable template for future agreement, OIG believes that the challenges with the Sasan Project provide meaningful lessons learned for EXIM that should be reviewed and used to inform how EXIM conducts future work.

Recommendation 4: EXIM’s Engineering and Environment Division, in coordination with Asset Management Division/Special Assets Group, should incorporate routine maintenance and operations into its update of the enhanced monitoring plan, to include clarifying roles and responsibilities, for the Sasan Power Limited Project.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that its Engineering and Environment Division monitors routine maintenance and operations with the lender’s independent engineer and that it will review existing monitoring procedures to identify practical and cost justified enhancements. To the extent necessary, any matters relating to the roles and responsibilities of various parties which require further clarification will be addressed.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation related to incorporating routine maintenance and operations into its update of the enhanced monitoring plan or provides a written cost justification as to why such maintenance operations could not be incorporated into the plan for the Sasan Power Limited Project. This documentation should clarify the roles and responsibilities for the project to ensure clear delineation between all parties involved.

Recommendation 5: EXIM's Asset Management Division/Special Assets Group should require Sasan Power Limited, in coordination with Reliance Power Limited as the project sponsor, to have the original manufacturer perform detailed inspections of all transformers at the Sasan Power Limited Project.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that its Engineering and Environment Division will mandate the lender's independent engineer to formulate a plan in coordination with Sasan Power Limited to conduct detailed inspections of all identified major components by the original manufacturer or other qualified vendor, taking into account timing, availability, and cost/benefit issues as well as the requirements of the other lenders. In addition, EXIM noted that Reliance Power Limited as the project sponsor has no role in the maintenance of project assets.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM has mandated the lender's independent engineer to formulate a plan to conduct detailed inspections of all transformers.

Recommendation 6: EXIM's Asset Management Division/Special Assets Group should identify any potential financial risks associated with Sasan Power Limited's ongoing efforts to comply with India's flue-gas desulfurization requirement and develop risk mitigation actions, as appropriate.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that its Asset Management Division/Special Assets Group has been closely monitoring India's flue-gas desulfurization requirement and that it will continue to assess any potential financial risks associated with the requirement. EXIM stated that, according to Sasan Power Limited, the Government of India is reviewing its policy and evaluating the impact of sulfur dioxide emissions from each power plant on the community and the population which could be impacted by the emissions. Given its remote location, Sasan Power Limited is of the opinion that the Government of India may not require the power plant to install the flue-gas desulfurization scrubbers. EXIM also stated that it would continue to monitor the potential impacts of the project's economic condition.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM identified any potential financial risks associated with Sasan Power Limited's ongoing efforts to comply with India's flue-gas

desulfurization requirement and develop risk mitigation actions, as appropriate, or provides documentation that the flue-gas desulfurization requirement no longer applies.

Recommendation 7: EXIM’s Office of Board Authorized Finance should conduct a review of the Samalkot Power Limited Project’s transaction approval to determine if EXIM properly identified and accounted for the financial risks specific to the absence of a confirmed source of gas to support the project, and if any lessons learned can be applied to future EXIM transactions.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that the Office of Board Authorized Finance has already reviewed the Board memorandum relating to the Samalkot Power Limited Project transaction and determined that requiring the corporate guarantee of a demonstrably strong sponsor at that time properly accounted for the financial risks associated with the absence of a confirmed source of gas for the project. However, EXIM noted that it would continue to review the memorandum to determine if any lessons learned can be applied to future EXIM transactions.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that EXIM’s Office of Board Authorized Finance conducted a “lessons learned” review of the transaction approval, as well as documentation of its initial review of the Board memorandum.

Recommendation 8: EXIM’s Asset Management Division/Special Assets Group should develop an action plan to assist in the identification of potential buyers for the (b) (4) remaining power modules.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that its Asset Management Division/Special Assets Group, with the assistance of the Engineering and Environment Division, would continue to assist Samalkot with its action plan to sell the remaining power modules and to assist Samalkot with identifying potential buyers for the remaining power modules. EXIM noted that it has been coordinating and contacting several potential buyers for the Samalkot equipment.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of EXIM’s action plan to assist in the identification of potential buyers.

Recommendation 9: EXIM’s Asset Management Division/Special Assets Group should require verification of equipment inspections at a frequency determined by industry standard, Samalkot Power Limited, Reliance Power Limited, and the independent consultants to ensure the equipment is maintained in a manner that allows the equipment to be sold.

Management Response: In its September 25, 2024, response, EXIM concurred with this recommendation. EXIM stated that the Engineering and Environment Division would work with the Asset Management Division/Special Assets Group to continue requiring equipment inspections by the independent consultant quarterly, or at least at a frequency determined by industry standard, so that the equipment can be maintained in a manner that facilitates the sale of the equipment.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that reflects verification of equipment inspections at a frequency determined by industry standard to ensure the equipment is maintained in a manner that allows the equipment to be sold.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

These inspections were conducted from August 2023 to July 2024, in accordance with the *Quality Standards for Inspection and Evaluation*, as issued in 2020 by the Council of the Inspectors General on Integrity and Efficiency.

Objectives and Scope

The Office of Inspector General (OIG) conducted two inspections—one on the project financing for Sasan Power Limited (Sasan) Project and one on the project financing for Samalkot Power Limited (Samalkot) Project. Of note, the Sasan Power Limited inspection is a follow-up to work completed by this office in 2015. The individual objectives for each project are below. OIG decided to present the findings of both inspections together due to a degree of overlap between both EXIM-financed projects. Work for these two inspections occurred between August 2023 and July 2024, including a site visit to the Sasan Project and the Samalkot Project in October 2023.

Sasan Project Objectives and Scope

The objectives of the follow-up inspection of the Sasan Project include the following:

1. Evaluate the effectiveness of EXIM's ongoing risk assessment and portfolio monitoring, including environmental and safety issues, in relation to the Sasan Project;
2. Assess the progress made in mitigating the legal and collection risks associated with the preferential foreclosure rights granted to SARFAESI-registered lenders; and
3. Assess the impact of select recommendations that were identified in the previous inspection report (OIG-INS-15-02).

The scope of the follow-up inspection of the Sasan Project focused on the following areas:

- **Due Diligence Processes:** Evaluate whether EXIM implemented improved due diligence processes to identify, evaluate, and mitigate project risks, including an assessment of risk factors outlined in the Loan and Guarantee Manual, applicable standards, OMB Circular No. A-129, and rating agency guidance. Assess the adequacy of risk analysis, financial model review, and risk rating assessments conducted by EXIM.
- **Legal and Collection Risks:** Assess the measures taken by EXIM to address the legal and collection risks associated with the preferential foreclosure rights granted to SARFAESI-registered lenders. Review the progress made in obtaining inclusion under the SARFAESI Act and examine any contractual arrangements made to mitigate the risks. Determine if the risks were appropriately presented in EXIM Board memoranda and reflected in the risk rating analysis for transactions involving SARFAESI lender banks.

Samalkot Project Objectives and Scope

The objectives of the inspection of the Samalkot Power Limited Project included the following:

1. Conduct an in-depth review of EXIM’s risk assessment, due diligence, and portfolio monitoring processes involved in this project; and
2. Understand the circumstances that led to the project becoming a “stranded asset” and assess the current state and potential recovery value of the remaining turbines.

The scope of the inspection of Samalkot Project focused on the following areas: project overview and participants; project financial structure and EXIM involvement; project implementation and performance; challenges and risks; and current project status.

Methodology

OIG conducted portions of this engagement remotely and relied on audio- and video-conferencing tools in addition to in-person interviews with EXIM personnel. OIG also reviewed pertinent records and reviewed the substance of this report and its findings and recommendations with offices, individuals, and organizations affected by the review. In addition, OIG staff conducted a site visit to the Sasan Project and the Samalkot Project in October 2023. OIG used professional judgment and analyzed physical, documentary, and testimonial evidence to develop its findings, conclusions, and actionable recommendations.

Sasan Project Methodology

To accomplish the stated objectives EXIM OIG reviewed relevant documents, including the previous OIG inspection report (OIG-INS-15-02); EXIM Board Memoranda; and EXIM policies, procedures, and guidance related to the Sasan Project. OIG interviewed key personnel involved in project finance transactions, risk analysis, due diligence processes, legal counsel, and compliance functions. In addition, OIG conducted a site visit in October 2023 to inspect the Sasan Project site, coal mine, power plant, and main ash pond. Further, OIG analyzed the results of document reviews, interviews, and the site visit to assess the extent to which EXIM has addressed the findings and recommendations from the previous inspection.

Samalkot Project Methodology

The methodology for the inspection was based on a combination of desk review, interviews, and document analysis, including a review of relevant project and finance documents, risk assessments, recovery plans, and due diligence reports. In addition, OIG conducted a site visit in October 2023, to inspect the Samalkot Project site, including the port where Samalkot stores some of its equipment.

APPENDIX B: MANAGEMENT RESPONSE



Helping American Businesses Win the Future

DATE: September 25, 2024

TO: Mr. Michael T. Ryan, Assistant Inspector General for Special Reviews and Communications

THROUGH: Ravi Singh, Acting Senior Vice President & Chief Financial Officer

FROM: James Burrows, Senior Vice President/Acting Chief Banking Officer

Bryan Rolfe, Senior Vice President, Office of Board Authorized Finance

SUBJECT: Inspections of EXIM's Financing of the Sasan Power Limited and Samalkot Power Limited Projects (*Report No. OIG-ISP-24-01*)

Ravi Singh
Digitally signed by RAVI SINGH
Date: 2024.09.30 16:28:44 -0400'

James Burrows
Digitally signed by JAMES BURROWS
Date: 2024.09.30 15:50:45 -0400'

Bryan Rolfe
Digitally signed by BRYAN ROLFE
Date: 2024.09.30 16:00:48 -0400'

Dear Mr. Ryan,

Thank you for providing the Export-Import Bank of the United States ("EXIM" or "EXIM Bank") management with the Office of Inspector General's ("OIG") draft report for *Inspections of EXIM's Financing of the Sasan Power Limited and Samalkot Power Limited Projects (Report No. OIG-ISP-24-01)*, dated September 11, 2024 (the "Report"). EXIM's leadership and management continue to fully support the OIG's work, which we believe complements and enhances EXIM's efforts to continually improve its processes. EXIM Bank is proud of the strong and cooperative relationship it has with the OIG and shares the OIG's commitment to improving EXIM's policies, procedures and operations.

EXIM Bank extends its sincere gratitude to the Office of the Inspector General (OIG) for conducting thorough inspections of the financing arrangements for the Sasan Power Limited and Samalkot Power Limited Projects. We commend the OIG's efforts in reviewing two significant transactions in EXIM's portfolio and identifying possible areas for enhancing our monitoring procedures. The recommendations provided by the OIG will serve as a framework to guide our efforts in strengthening Board procedures, optimizing transaction structures, and improving our oversight of consultant relationships. EXIM Bank is committed to leveraging these recommendations to strengthen its structured and systematic approach to portfolio management and consultant oversight. We recognize the potential impact of these improvements on our overall operational effectiveness and risk management strategies. We look forward to

implementing these recommendations and working collaboratively with the OIG to continually refine our processes.

OIG has made nine recommendations. EXIM concurs with the nine recommendations and will move forward with implementing the recommendations.

Recommendation 1: EXIM's Engineering and Environment Division, in coordination with the Asset Management Division/Special Assets Group, should update EXIM's enhanced monitoring plan for the Sasan Power Limited Project to incorporate and require more robust compliance monitoring, to include onsite monitoring, of environmental, health, and safety standards, as required by the credit agreement.

Management response: EXIM concurs with this recommendation. EXIM's Engineering and Environment Division, which monitors operations and maintenance as well as environmental, health and safety standards, will review and update EXIM's enhanced monitoring plan for the Sasan Power Limited Project to the extent necessary to incorporate enhancements to the existing procedures covering operations and maintenance activities, monitoring, of environmental, health, and safety standards, and related site visits, as authorized by the EXIM financing documentation.

Recommendation 2: EXIM's Engineering and Environment Division in coordination with the Asset Management Division/Special Assets Group, and the independent consultants, should identify additional information sources about activities or concerns related to the Sasan Project to help provide more robust enhanced monitoring, such as input from the local community.

Management response: EXIM concurs with this recommendation. EXIM's Engineering and Environment Division in coordination with the independent consultants, will identify additional information sources about activities or concerns related to the operations and maintenance, and environmental, health and social requirements to be followed by the Sasan Project to enhance further the scope of monitoring activities if feasible and justified by a cost/benefit assessment analysis. It should be noted that EXIM's independent environmental and social monitoring consultant (IESC) team includes a social expert who meets with people from numerous local communities during the quarterly site visits to get their views of the Sasan Project and reports their observations in their quarterly monitoring review reports. EXIM also directs the IESC to follow up on complaints or information submitted through the Environmental and Social Project Information and Concern Portal or via email.

Recommendation 3: EXIM's Asset Management Division/Special Assets Group, in coordination with Engineering and Environmental Division and the Office of General Counsel, should conduct a review of the Sasan Project to determine what additional accountability mechanisms could be included in credit agreements on future EXIM- financed projects to allow for additional accountability or enforcement authority when a borrower or project sponsor does not comply with the terms of the credit agreement.

Management response: EXIM concurs with this recommendation. EXIM's Asset Management Division/Special Assets Group, in coordination with Engineering and Environmental Division and the Office of General Counsel, notes that the financing documentation governing the Sasan transaction reflects the challenges and constraints faced by EXIM as an acceding minority lender to a financing

structure that was already in place. Hence the Sasan credit agreement and the common terms schedule thereto do not provide a suitable template into which improvements should be incorporated. It is important to note that these documents are not duplicated in any subsequent EXIM's project finance transactions with other lenders. EXIM will, if necessary or appropriate, conduct a review of its form credit agreement used in project finance transactions to determine what additional reporting and accountability mechanisms could be included in the EXIM credit agreement or the common terms agreement in future EXIM- financed projects to allow for additional accountability or enforcement authority when a borrower or project sponsor (to the extent there is any recourse to such sponsor) does not comply with the terms of the relevant finance agreement. EXIM also notes that because it is a lender, rather than a regulatory or permitting agency, its leverage is strongest prior to loan disbursement and diminishes as disbursements are made. EXIM is fully disbursed prior to project operation or the realization of operations-based performance issues. EXIM has no ability to legally enforce actions to be taken by a project via a regulatory tool such as a Consent to Operate permit, and it exercises no direct control of project activities during operation. While EXIM can call a default and ultimately accelerate repayment, doing so is not necessarily in the interest of the U.S. taxpayer. As a result, EXIM works directly with Projects through monitoring and development of recommendations to positively resolve performance issues, influence behaviors, and improve project performance. This influence is reflected in detailed international caliber monitoring and management plans that the Project commits to implementing and EXIM monitors the adherence to on an ongoing basis.

Recommendation 4: EXIM's Engineering and Environment Division in coordination with the Asset Management Division/Special Assets Group should incorporate routine maintenance and operations into its update of the enhanced monitoring plan, to include clarifying roles and responsibilities, for the Sasan Power Limited Project.

Management response: EXIM concurs with this recommendation. EXIM's Engineering and Environmental Division monitors routine maintenance and operations with the assistance of the Lenders' Independent Engineer and will review existing monitoring procedures to identify practical and cost justified enhancements. To the extent necessary, any matters relating to the roles and responsibilities of various parties which require further clarification will be addressed.

Recommendation 5: EXIM's Asset Management Division/Special Assets Group should require Sasan Power Limited, in coordination with Reliance Power Limited as the project sponsor, to have the original manufacturer perform detailed inspections of all transformers at the Sasan Power Limited Project.

Management response: EXIM concurs with this recommendation. EXIM's Engineering and Environment Division, which monitors operating and maintenance issues will, mandate the Lender's Independent Engineer to formulate a plan in coordination with Sasan Power Limited (note that Reliance Power Limited as the project sponsor, has no role in maintenance of project assets) to conduct detailed inspections of all identified major components (such as transformers) by the original equipment manufacturer or other qualified vendor, taking into account timing, availability, and cost/benefit issues as well as the requirements of the other lenders.

Recommendation 6: EXIM's Asset Management Division/Special Assets Group should identify any potential financial risks associated with Sasan Power Limited's ongoing efforts to comply with India's flue-gas desulfurization requirement and develop risk mitigation actions, as appropriate.

Management response: EXIM concurs with this recommendation. EXIM's Asset Management Division/Special Assets Group has been closely monitoring this issue and will continue to assess any potential financial risks associated with Sasan Power Limited's compliance with India's flue-gas desulfurization (FGD) requirements to the extent these might become applicable to the Sasan project. To the extent that any financing requirement is identified which might potentially have an impact on the repayment of the EXIM financing on or before September 2026, EXIM will engage pro-actively with the Sasan/Reliance Power management and the consortium of Indian lenders to address all issues with a view towards ensuring full loan recovery. Currently, according to Sasan, the Government of India is reviewing its policy and evaluating the impact of sulfur dioxide emissions from each power plant on the community and the population which could be impacted by the emissions. Since Sasan is in a remote location, (b) (4)

██████████ This will be a policy decision by the Government of India for all coal fired power plants and not only for Sasan. EXIM notes that the Government of India's timeline and requirements relative to the retroactive implementation of flue-gas desulfurization equipment have been fluid and characterized by extensions in the past. In any case, EXIM and the Indian Lenders have monitored and will continue to monitor potential impacts to the project's economic condition related to this topic.

Recommendation 7: EXIM's Office of Board Authorized Finance should conduct a review of the Samalkot Power Limited Project's transaction approval to determine if EXIM properly identified and accounted for the financial risks specific to the absence of a confirmed source of gas to support the project, and if any lessons learned can be applied to future EXIM transactions.

Management response: EXIM concurs with this recommendation. EXIM's Office of Board Authorized Finance has already reviewed the Board Memorandum relating to the Samalkot Power Limited Project transaction and has determined that EXIM properly identified and accounted for the financial risks specific to the absence of a confirmed source of gas to support the project, by requiring the corporate guarantee of a demonstrably strong sponsor at that time, Reliance Power. EXIM will continue its review to determine if any lessons learned can be applied to future EXIM transactions.

Recommendation 8: EXIM's Asset Management Division/Special Assets Group should develop an action plan to assist in the identification of potential buyers for the (b) (4) remaining power modules.

Management response: EXIM concurs with this recommendation. EXIM's Asset Management Division/Special Assets Group, with the assistance of the Engineering and Environmental Division regarding technical/engineering matters, will continue to assist Samalkot in the implementation of its action plan to sell the remaining power modules and to assist Samalkot in the identification of potential buyers for the (b) (4) remaining power modules. EXIM has been coordinating with and assisting Reliance Power by contacting several potential buyers of the Samalkot equipment. With EXIM's coordination assistance, a number of potential buyers have visited the Samalkot site, and another potential buyer is

scheduled to visit the site in October 2024. EXIM also tracks potential future power projects around the world and proactively contacts those that are a good technical fit about the sale of the Samalkot Equipment.

Recommendation 9: EXIM's Asset Management Division/Special Assets Group should require verification of equipment inspections at a frequency determined by industry standard, Samalkot Power Limited, Reliance Power Limited, and the independent consultants to ensure the equipment is maintained in a manner that allows the equipment to be sold.

Management response: EXIM concurs with this recommendation. EXIM's Engineering and Environmental Division, which monitors the preservation and maintenance activities of the Samalkot project, together with the Asset Management Division/Special Assets Group will continue to require equipment inspections by the independent consultant quarterly or at least at a frequency determined by industry standard, so that the equipment is maintained in a manner that facilitates the sale of the equipment. It should be noted that boroscopic inspection of Samalkot's gas turbines and steam turbines was performed in March 2022 by a reputable contractor. This inspection confirmed that the equipment was in good condition.

CC:

The Honorable Reta Jo Lewis, President and Chair of the Board of Directors
Brad Belzak, Senior Vice President and Chief of Staff
Hazeen Ashby, Deputy Chief of Staff and White House Liaison
Larry Decker, Senior Advisor to the President and Chair of the Board of Directors
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Courtney Chung, Senior Vice President and Chief Management Officer
James Coughlan, Senior Vice President and General Counsel
James Cruse, Senior Vice President, Office of Policy Analysis & International Relations
Michaela Smith, Director of Audit and Internal Controls Programs

ABBREVIATIONS

AMD	Asset Management Division
Board	Board of Directors
E&E	Engineering & Environment Division
EPA	U.S. Environmental Protection Agency
ERM	Environmental Resources Management
ESPG	Environmental and Social Due Diligence Procedures and Guidelines
EXIM	Export-Import Bank of the United States
MPPCB	Madhya Pradesh Pollution Control Board
OIG	Office of Inspector General
OECD	Organisation for Economic Co-operation and Development
Reliance Power	Reliance Power Limited
SAG	Special Assets Group
Samalkot	Samalkot Power Limited
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest
Sasan	Sasan Power Limited
Sasan credit agreement	Sasan Power Limited Credit Agreement with the Common Terms Schedule

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