ZEN LEARN

ZENLEARN RESEARCH · JUDGMENT INTELLIGENCE

Visible at Sanction

The weakness later blamed for the failure was, in most files, already visible in the origination file

19 of 30 failures	0 of 16 survivors	13 of 16 survivors
RELATED-PARTY LENDING	NO RELATED-PARTY LENDING	OVER-LEVERAGED TOO

50 cases **coded in all** — 34 adjudicated failures set beside 16 comparable survivors. **Failures**: large-credit defaults (30 of the 34 with court-grade evidence carry the headline counts). **Survivors**: large borrowers that carried the same leverage and group size and did not default. Setting the two side by side is what isolates the weakness that actually separated them — related-party lending, present in 19 of 30 failures (**63%**) and 0 of 16 survivors.

REGULATORY ANCHOR

Grounded in the RBI Master Circular on Loans and Advances (the financial-viability and sensitivity-analysis appraisal standard), the RBI Large Exposures Framework (the 25 percent connected-group cap), and the RBI Internal Advisory Committee's reference of 12 large accounts to the Insolvency and Bankruptcy Code, **13 June 2017**.

BASIS

Origination years 2005-2020; adjudication and public-record dates 2017-2025. Coded corpus as of **2 July 2026**.

THE SINGLE-LINE THESIS

In adjudicated large-credit failures set beside comparable survivors, the structural weakness later blamed for the collapse was, in most files, already visible at sanction — and the part that actually separated failure from survival is legible in a live file before the outcome.

Prepared by **Rohit Kumar** · **ZenLearn Research**

Founder, ZenLearn Research · IIM Mumbai · Former Head of Business, Eko India

ex-CFO: Blackstone IARC, Pristyn Care, GE A&C SE Asia · Engine development, Tata Nano programme

Published by Zenlearn Research · July 2026 · zenlearn.ai/judgment

Contents

00	**Executive Summary** The thesis and the key findings	4
01	**The origination file shows the weakness before sanction** The thesis in one line, and the four things this report is not	5
02	**Why this matters to your bank today** What actually discriminates, why your existing controls don't already see it, and the implication for a live book	6
03	**Related-party lending is what discriminates — leverage is not** The discrimination test, signal frequency, and the segment signatures	8
04	**Three of the four judgment marks are read off the failures** The Judgment Quotient, derived from the evidence — as a 2x2 map	12
05	**One file shows the weakness was on the record before a rupee moved** A single coded case walked from signal to outcome	14
06	**Every case and every rejection is named, so the basis is auditable** The coded register, the screening funnel, the named rejections, and the survivors	16
07	**Every coding decision is reproducible and auditable to source** The 11-signal catalogue, the fire/no-fire rule, and the evidence grades	23
08	**What the framework expects, and what this cannot claim** Supervisory expectation vs the files, the honest limits, and what transfers to smaller-ticket books	26
09	**Practitioner heuristics show what to look for at sanction and after** The signals a credit officer or a supervisory reviewer can look for on the file, and on the borrower's own accounts, pre-sanction and post-disbursement — with the primary source each check rests on.	28
10	**The next step is to measure the discriminator in your own book** The open question, and the Independent Judgment Diagnostic that answers it	31
SD	**Self-Diagnostic** 5 questions a CRO answers in 60 seconds	34
MM	**Maturity Model** Locate your bank, then act	35
CI	**Where to Look First in Your Own Book** the review load, sized — not a loss estimate	37
BB	**Board Briefing** A one-page note for the board pack	38

RC Regulatory Context

the governing instrument

The RBI standards that govern large-credit origination

Primary text →

KEY PROVISIONS

- **Financial-viability appraisal — RBI Master Circular on Loans and Advances.** Before sanction, a bank must satisfy itself of the borrower's financial viability and test the projections against sensitivity. This is the standard the assumption-clustering failures ran against — viability resting on stacked best-case assumptions.
- **The 25% connected-group cap — RBI Large Exposures Framework.** A bank's exposure to a single group of connected counterparties is capped at **25%** of its eligible capital base. This is the rule the group-exposure and ring-fencing cases ran against.
- **Related-party and end-use discipline.** Lending routed into a borrower's own connected companies requires arm's-length terms and verification of end-use at sanction — the discipline whose absence is the study's single discriminator.
- **Governance of the sanction decision.** Where a credit committee sanctions against its own risk team's recorded dissent, that override must itself be documented and justified — the governance-override failure mode.
- **The first IBC reference — RBI Internal Advisory Committee, 13 June 2017.** The direction that sent the first list of 12 large defaulters to the Insolvency and Bankruptcy Code created the adjudicated public record this study reads.

00 Executive Summary

This study codes **50 cases** — 34 adjudicated large-credit failures set beside 16 comparable large borrowers that carried the same signals and did not fail. The headline is what did NOT separate them: leverage and group structure, the things risk committees argue about, were as common in the survivors as in the failures. What separated them was where the money was lent and whether governance held. Related-party lending — the loan routed into the borrower's own connected companies — appeared in 19 of 30 well-evidenced failures (**63%**) and in none of the 16 survivors. That discriminating weakness was legible in the origination file, before the outcome. The uncomfortable question is whether it is legible in your own book right now.

01 What discriminates: leverage and group structure did not separate the failures from 16 large survivors that carried the same signals — related-party lending did, present in 19 of 30 failures (**63%**) and 0 of the survivors. That is the discriminator, and it is legible in the origination file before the outcome.

02 It is rarely a single flaw. 26 of 30 failures fired two or more origination signals, and the leading signal shifts by lending segment — group-exposure in infrastructure and real-estate project finance, assumption-clustering in trade finance and working capital, related-party lending in non-bank finance books. Each of those leaders maps onto a standard the bank already holds (the **25%** connected-group cap; the Master Circular's viability and sensitivity test), so the tell is an existing rule going unenforced at origination, not a novel red flag.

03 In ZenLearn's terms the discriminator is the absence of Protocol Discipline — the first and most-evidenced of the four marks of a sound origination decision (the Judgment Quotient) — shown concretely in one worked file: a developer that pledged its own land to secure its holding company's debt, against the **25%** connected-group cap. The study measures rather than predicts, and it deliberately leaves one question open: whether the same discriminator is legible in your own book, on files whose outcome is not yet known.

04 What to do about it is concrete — and it is not something a bank's existing controls already deliver: a scorecard rates the borrower, early-warning fires after disbursement, and audit samples for compliance, none of them a calibrated, repeatable read of the sanction decision itself. ZenLearn's Independent Judgment Diagnostic reads about twenty of your own recent large sanctions with two independent reviewers and returns three board-ready numbers — a reviewer-disagreement rate, the share of files firing two or more signals, and a benchmark against this failure corpus — with an executive readout in about two weeks.

01 The origination file shows the weakness before sanction

> In most of these 34 adjudicated failures, the structural weakness later blamed for the collapse was already documented in the origination record — legibility in hindsight, not prediction.

34
FAILURES EXAMINED · 30 COURT-GRADE

Rs 773,375 crore
TOTAL ORIGINATION EXPOSURE

4 exclusions
WHAT THIS REPORT IS NOT

A credit officer signs a sanction. Years later — usually once the loan has failed — a tribunal, a forensic auditor or an investigator sets down on the public record what the file contained at that moment. Those public records are what this study reads: insolvency filings and tribunal orders (NCLT and NCLAT), Supreme Court judgments, SEBI orders and CBI charge-sheets, pulled from the official portals.

This report reads 34 such cases and asks one question: was the weakness later blamed for the failure already visible in the origination file? (Exactly how each case was found, graded and coded is set out in the method section.)

'Visible at sanction' has a precise meaning: a structural weakness — related-party lending, thin security, a stretched projection, over-leverage — that a public document shows was in the origination file itself, not just in the later story of how the loan collapsed. Where that origination detail is only inferred, the case is dropped rather than softened.

Four things this report is deliberately NOT, said plainly so nothing that follows is oversold: it does not predict defaults; it does not accuse any lender of negligence; it is not a live scoring demonstration; and it never names a lender — every aggregate finding is lender-anonymous.

> THE POINT
>
> Read the file, not the obituary: the question is what the origination record showed, established only where the public record permits.

02 Why this matters to your bank today

> Leverage and group structure did not separate these failures from large survivors; related-party lending and governance override did — and that weakness is legible in a live origination file before the outcome.

19 of 30

FAILURES LENT TO RELATED COMPANIES — 0 OF 16 SURVIVORS DID

13 of 16

SURVIVORS WERE HIGHLY LEVERAGED TOO — SO LEVERAGE IS NOT THE TELL

At sanction

WHERE THE TELL WAS ALREADY IN THE FILE, BEFORE THE LOAN FAILED

The instinctive risk-committee reflex is to argue about leverage and group size. The evidence says that reflex looks at the wrong thing.

Sixteen large borrowers were assembled that carried the same leverage and group-exposure at origination and did not fail — a steel maker with about **Rs 73,916 crore**[50] of net debt, a telecom operator whose gearing rose above 1x on a debt-funded acquisition, a metals group that used a subsidiary's cash to service the parent's debt. Leverage appeared in 13 of these 16 survivors and in only 5 of 30 failures.

It is a condition of large lending, not a verdict.

What a clean survivor does not carry, by construction, is the lending of funds into related parties or the override of governance — a borrower that does either is not a survivor. Related-party lending appeared in 19 of the 30 failures and in none of the survivors. That is the discriminator.

The discriminating weakness — where the money was really going, whether a risk dissent was answered or overridden — is not an exotic post-mortem artefact. It sits in the charge register, the group-exposure annexure and the credit-committee minutes at the point of sanction.

It was legible before the outcome in these files. The only question this report cannot answer for you is whether it is legible in yours.

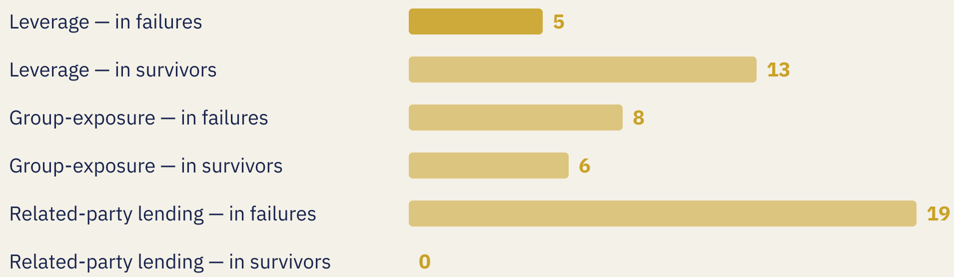
None of this is a claim that your existing tools are blind. A scorecard rates the borrower; early-warning fires after disbursement. What almost no bank has is a calibrated, repeatable, benchmarked measurement of the origination decision itself — the same signal ontology coded the same way every time, an inter-reviewer agreement rate, a comparable set of failures and survivors to test against, and a prospective read rather than a periodic sample.

Few banks operationalise judgment quality that way, and that gap is what this report is about. (The full comparison with adjacent tools and functions is set out in the scope-boundary table.)

WHAT DISCRIMINATES — FAILURES (OF 30) BESIDE SURVIVORS (OF 16)

Leverage and group-exposure show up in the survivors too, so neither one separates the two groups.

Only related-party lending is absent from every survivor — the one signal that divides failure from survival. The 16 survivors are comparable large borrowers that did not fail: a deliberate like-for-like comparison, not a random sample.



THE BOARD IMPLICATION, IN THREE LINES

SITUATION	SO WHAT
The signals your committee debates — leverage, group size — did not separate 25 failures from 16 survivors	You are likely watching the wrong variable
What separated them — related-party routing, governance override — is on the origination record at sanction	The discriminator is measurable before the outcome, not only after
No bureau score, scorecard or early-warning system evidences how the file was judged	Few banks operationalise this as a calibrated, repeatable measurement — that is the gap

Comparison only. Presence of a documented feature is not a finding that any appraisal was inadequate. · *Source: ZenLearn Research*

> THE POINT
>
> The signal that looks damning in a failure often sits, unremarked, in a survivor: leverage is a condition of large lending; the routing of the money is the tell — and it is legible at sanction.

03 Related-party lending is what discriminates — leverage is not

> Related-party routing is the candidate discriminator; leverage and group-exposure are not; and the leading signal differs by lending segment, so there is no single universal red flag.

19 of 30
RELATED-PARTY ROUTING — THE DISCRIMINATOR

26 of 30
FAILURES FIRED TWO OR MORE SIGNALS

4 of 4
GROUP-EXPOSURE IN EVERY INFRASTRUCTURE CASE

43%
OF EXPOSURE SITS IN THE 5 LARGEST FAILURES

Counts lead here, not percentages, because 30 is a small sample. The discrimination test is the centre of the study: tested against 16 survivors, leverage (5 failures / 13 survivors) and group-exposure (8 / 6) are non-discriminative — as common in survivors as in failures — while related-party lending (19 / 0) and governance override (3 / 0) are the candidate discriminators.

The frequency picture supports it. Related-party or end-use lending fired in 19 of 30 headline cases, assumption clustering in 12, group-exposure in 8. And 26 of 30 failures fired two or more signals — failures are rarely a single flaw but a weak borrower framed by a weak exposure.

The leading signal also shifts by segment, which tells a chief risk officer what to weight for their own book. It is unanimous in two: group-exposure fired in every infrastructure and real-estate project-finance case, and assumption-clustering in every trade-finance and working-capital case.

In non-bank finance books, related-party routing leads. Aviation, telecom and consumer shows no single leading signal.

HOW FAILURES COMPARED TO COMPARABLE SURVIVORS

ORIGINATION SIGNAL	IN FAILURES (OF 30)	IN SURVIVORS (OF 16)	VERDICT
Related-party / end-use routing	19	0	**The discriminator** — a clean survivor cannot carry it (0 by construction)
Governance override (risk team overruled)	3	0	**Discriminator** — absent from survivors by construction
Group exposure / ring-fencing	8	6	**Not discriminative** — present in survivors too
Leverage at sanction (D/E)	5	13	**Not discriminative** — commoner in survivors than failures
Assumption clustering	12	not coded	**Frequent, not tested** — 12 of 30 failures, survivor rate not coded
Total (signals tested)	**5**	**5**	**2 discriminators, 2 non-discriminative, 1 not coded**

Survivors: Tata Steel, Bharti Airtel, Vedanta, Reliance Industries, Hindalco, Adani, JSW Steel, Jindal Steel & Power, Bajaj Finance, Mahindra Finance, LIC Housing, L&T, Motherson, UltraTech, Vardhman, Tata Motors — carried the signals, did not default. The two discriminators are absent from survivors by construction (the survivor set is defined as clean on them); the honest limit is that assumption clustering was not coded in survivors, so it is reported but not claimed as a discriminator. · *Source: ZenLearn Research*

HOW OFTEN EACH SIGNAL APPEARED, ACROSS THE 30 DOCUMENTED FAILURES

The 30 are the failures where an origination-stage weakness was documented on the public record — the well-evidenced cases behind the headline counts.

A single case usually carries several signals, so the counts below add to 60 — more than the **30 cases**.

SIGNAL	CASES (OF 30)
Related-party / end-use routing	19
Assumption clustering	12
Group exposure / ring-fencing	8
Covenant-design weakness	5
Leverage at sanction	5
Security insufficiency	4
DSCR dependency on expansion	3
Governance concentration	3
Condition-precedent waiver	1
Total signal-fires (across 30 cases)	**60**

Counts led. Related-party / end-use routing is the most frequent, and the discriminator. · *Source: ZenLearn Research*

THE LEADING SIGNAL DIFFERS BY LENDING SEGMENT

LENDING SEGMENT	CASES	LEADING SIGNAL
Metals, power & industrial capex	8	Related-party / end-use routing (5)
Infrastructure & real-estate project finance	4	Group exposure / ring-fencing failure (4)
NBFC / financial-institution books	7	Related-party / end-use routing (6)
Trade finance & working capital	6	Assumption clustering (5)
Aviation, telecom & consumer	5	Related-party / end-use routing (2)
Total	**30**	**—**

Each segment holds only a handful of cases, so read these as direction, not precise rates. Two segment signatures map onto standards a bank already holds — infrastructure and real-estate group-exposure onto the RBI Large Exposures Framework (the **25%** connected-group cap), and trade-finance assumption-clustering onto the Master Circular's financial-viability and sensitivity-analysis standard — so the leading signal is not a novel red flag but an existing appraisal rule going unenforced at origination. Weight the catalogue to your own segment mix. · *Source: ZenLearn Research*

TWO MORE READS ON THE CORPUS

INSIGHT	THE NUMBER
The risk is concentrated	The 5 largest failures carry about **Rs 3,35,002 crore**[15] — roughly **43%** of total exposure
The discriminator is sector-agnostic	Related-party routing appeared across all 5 lending segments — it carries across the whole book, not one sector

Computed from the 34 coded cases. · *Source: ZenLearn Research*

> THE POINT
>
> There is no single universal red flag: weight the catalogue to the book, and watch the routing of the money and the handling of dissent, not leverage alone.

04 Three of the four judgment marks are read off the failures

> The discriminator has a name in ZenLearn's framework: its absence is a failure of Protocol Discipline — the first and most-evidenced of the four marks of a sound origination decision.

19 of 30
FAILURES FIRED THE PROTOCOL-DISCIPLINE DISCRIMINATOR

4 marks
THE JUDGMENT QUOTIENT — 3 EVIDENCED, 1 PROSPECTIVE

0 of 16
SURVIVORS CARRIED THE ROUTING FAILURE

Three of the four marks are read directly off the failures — which is what makes the Judgment Quotient an evidence-based framework rather than an asserted one.

Protocol Discipline is the study's discriminator itself: whether verification and end-use protocols were followed rather than routed around. It is the most heavily evidenced mark — related-party and end-use routing, present in 19 of 30 failures and 0 of 16 survivors, is exactly its absence.

Risk Escalation is whether a dissent raised at appraisal was answered rather than overridden — evidenced by the governance-override cases, where a credit committee sanctioned against its own risk team.

Regulatory Awareness is whether the exposure was framed against the rules that already apply — evidenced most directly by the 25 percent connected-group cap that the group-exposure cases ran against.

Pressure Resistance, the fourth mark, is whether judgment holds under the pressure to close — and it is held deliberately light. It is not claimed from this failure data; it is a line the diagnostic tests prospectively on live decisions, not asserted here as a finding.

The three evidenced marks carry the framework; the fourth is named honestly as forward research, not padding.

Each decision resolves to one of four archetypes, mapped below on the two most-evidenced marks — the diagnostic's per-file output: a named mode of failure a bank can act on, officer by officer.

THE FOUR ARCHETYPES, BY TWO OF THE MARKS

The failures cluster on the weak Protocol-Discipline side (the left column): related-party lending was present in 19 of 30 failures and none of the 16 survivors.

RISK ESCALATION STRONG ↑ · WEAK ↓

Superficial flags are raised, but the verification isn't there	**Calibrated** verifies the file and answers the risk dissent
Passive neither verifies nor escalates — a rubber-stamp	**Over-calibrated** checks every box but never escalates the real call

PROTOCOL DISCIPLINE · WEAK ← → STRONG

The other two marks. Regulatory Awareness (was the exposure framed against the 25% cap?) and Pressure Resistance (did judgment hold under the pressure to close?) are the other two marks — measured per file, but not the axes of this map.

The four marks are read from the evidence. A decision resolves to one of the four archetypes — the diagnostic's per-file output.

THE FOUR MARKS, DERIVED FROM THE EVIDENCE

MARK (JUDGMENT QUOTIENT)	DERIVED FROM THE CODED EVIDENCE	STRENGTH
Protocol Discipline	Related-party / end-use-routing failures — the discriminator (19 of 30; 0 of 16 survivors)	Strong
Risk Escalation	Governance override — sanctioning against the risk team's dissent (**3 cases**)	Moderate
Regulatory Awareness	Exposure not framed against the **25%** connected-group cap	Moderate
Pressure Resistance	Volume / clock pressure at origination — inferred, not from the cases	Prospective

Derived from the coded failures, not asserted. · *Source: ZenLearn Research*

THE POINT

The discriminator is not a new abstraction — it is the absence of Protocol Discipline, the first and most-evidenced of the four marks; the framework is earned from the data, not laid on top of it.

05 One file shows the weakness was on the record before a rupee moved

> One file makes the chain concrete: a developer pledged its own land to secure its holding company's debt — a group-exposure signal on the sanction record, against a rule that already caps connected-group exposure at 25 percent.

858 acres
PLEDGED BY THE SUBSIDIARY TO SECURE THE PARENT'S DEBT

25%
THE CONNECTED-GROUP CAP THE STRUCTURE RAN AGAINST

2024
SUPREME COURT HELD THE MORTGAGES PREFERENTIAL

Patterns persuade analysts; a single file persuades an executive. Take Jaypee Infratech, one of the 34 coded cases and one of the RBI's June-2017 accounts.

At sanction, the structural fact was already on the record: the company mortgaged 858 acres of its own land to secure debt owed by its holding company. The borrower's security was, in substance, the group's — the subsidiary's assets backed the parent's leverage rather than the borrower's own demonstrated repayment capacity.

That is precisely the connected-group concentration the Large Exposures Framework caps at 25 percent of eligible capital, and precisely the substitution the appraisal standard warns against.

What happened later is the public record: default, admission to the insolvency code in 2017, and in 2024 a Supreme Court ruling that held those mortgages preferential and undervalued, freeing 758 acres back to the company. The point for a chief risk officer is not the outcome — it is that a dual reviewer reading the charge register and the group-exposure annexure at sanction would have seen the parent-debt mortgage before a rupee moved.

ONE FILE, END TO END — JAYPEE INFRATECH

STAGE	WHAT THE RECORD SHOWS
Borrower	Jaypee Infratech — real-estate and infrastructure developer; RBI June-2017 list
Signal at sanction	Group exposure / ring-fencing + related-party: mortgaged 858 acres of its own land to secure the holding company's debt
Why it mattered	The borrower's security was, in substance, the group's — the subsidiary's assets backed the parent's leverage, not the borrower's own repayment capacity
RBI expectation it maps to	Large Exposures Framework caps connected-group exposure at 25 percent of eligible capital; a group asset is not a substitute for viability
What happened later	Default; NCLT admission 2017; Supreme Court held the mortgages preferential and undervalued in 2024, freeing 758 acres
How it surfaces in a live review	A dual reviewer reading the charge register and group-exposure annexure at sanction sees the parent-debt mortgage before disbursement

Supreme Court, Jaiprakash Associates v Jaypee Infratech (2024); indiankanoon.org/doc/42755474. One worked case; the full register is in the evidence base. · *Source: ZenLearn Research*

> THE POINT
>
> The file did not need hindsight to read: the connected-group mortgage was on the sanction record, mapped to a rule that already existed.

06 Every case and every rejection is named, so the basis is auditable

> Thirty-four of forty-seven screened candidates cleared the origination-evidence screen, each linked to a specific court, tribunal, forensic or regulatory source; the rejections are named and the survivors listed, so the basis is fully auditable.

34 of 47
CLEARED THE ORIGINATION-EVIDENCE SCREEN

13
NAMED REJECTIONS (11 CONTROLS + 2 PRE-INTAKE)

16
COMPARABLE SURVIVORS LISTED

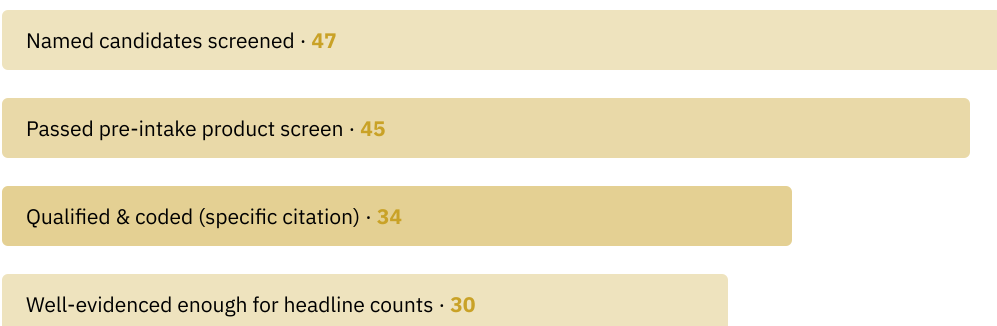
The full coded register is set out below in the evidentiary format — entity and record base, the core angle documented, and the evidentiary signal at sanction — so every case is on the page with its own source, not a reference to an internal corpus.

The funnel is honest about attrition. Forty-seven candidates were screened; 2 were dropped pre-intake for product mismatch; 30 qualified with a specific citation; 11 were rejected at the first gate. The rejections carry the method's weight — a firewall exclusion, several RBI second-list accounts that were over-leverage with no isolated sanction-stage signal, and a diversion case dropped because its record is post-sanction, not because it was small.

Deal size is never a screen.

The 16 comparable survivors are named in full, because a study of failures is only as honest as the non-failures it tests against.

SCREENING FUNNEL



2 dropped pre-intake; 11 rejected at Gate-1; 4 grade-D cases coded but held out of the headline. Total qualified exposure about Rs 773,375 crore; median case about Rs 12,887 crore.

EVERY CODED CASE — THE BORROWER, THE SOURCE, AND WHAT THE FILE SHOWED (1 OF 4)

BORROWER & SOURCE	MAIN WEAKNESS (TYPE)	WHAT THE FILE SHOWED AT APPROVAL
IL&FS group · Rs 99,000 cr[70] · Forensic / audit finding · NCLAT, CP No. 3638/2018	Related-Party — Evergreening & Unsecured Group Loans	Large loans were sanctioned to group and other entities without security, alongside 107 evergreening instances. In the record: "loans worth **Rs 3,768 crore**[70] sanctioned without security; 107 evergreening instances".
DHFL · Rs 87,000 cr[30] · Court / tribunal order · Supreme Court, Civil Appeal 1632-1634 of 2022 (2025 INSC 421)	Related-Party — Promoter Round-Tripping	Of 50 sampled borrower entities, 34 routed money received from DHFL back into the promoter company. In the record: "34 entities had invested a portion of amount received from DHFL into the promoter company".
Essar Steel · Rs 54,547 cr[35] · Court / tribunal order · NCLT Ahmedabad CP(IB) 39/7/NCLT/AHM/2017; SC Civil Appeal 8766-8767 of 2019	Aggressive Assumptions / Leverage — Aggressive Projections	At sanction, capacity-utilisation and captive-gas availability projections ignored prevailing market realities; viability rested on highly optimistic assumptions. Principal loan liability was about **Rs 35,000 crore**[35] (claims about **Rs 49,213 crore**[35]), the largest IBC account. In the record: "principal loan liability of the corporate debtor company comes to around Rs.**35,000**[35] crore".
Reliance Communications · Rs 47,251 cr[37] · Court / tribunal order · NCLT Mumbai, CP(IB) 1387(MB)2017	Aggressive Assumptions / Leverage — Telecom Over-Leverage	A telecom operator built up debt through a capital-intensive spectrum and price-war cycle; admitted claims reached about **Rs 47,251 crore**[37]. In the record: "admitted financial-creditor claims of about **Rs 47,251 crore**[37]".
Bhushan Power & Steel · Rs 47,204 cr[69] · Forensic / audit finding · IBBI resolution record, CIN U27100DL1999PLC108350	Related-Party — Shell-Company Diversion	Facilities from 33 lenders totalling about **Rs 47,204 crore**[69] built up over 2007-2014, later routed through 200-plus shell companies. In the record: "availed loan facilities from **33 banks**/financial institutions during 2007 to 2014".
Lanco Infratech · Rs 44,000 cr[77] · Forensic / audit finding · NCLT Hyderabad, CP(IB) 111/HYD/2017	Aggressive Assumptions / Leverage — Equity Substitution	Promoter contribution for large power projects was substituted with unverified quasi-equity from group companies. In the record: "promoter contribution substituted with unverified quasi-equity from group companies".
Reliance Capital · Rs 40,000 cr[61] · Forensic / audit finding · NCLT Mumbai, IA(PLAN)/62/2024	Group Exposure — Group-Company Exposure	An RBI-superseded NBFC's book carried heavy exposure to group entities that the administrator flagged in avoidance filings. In the record: "group-company exposure flagged in the administrator's avoidance filings".
Jet Airways · Rs 36,500 cr[60] · Forensic / audit finding · Supreme Court, 2024 INSC 852 (7 Nov 2024)	Aggressive Assumptions / Leverage — Negative Cash Flow at Sanction	Lending continued to a carrier carrying accumulated losses above **Rs 13,000 crore**[60], with large commissions to promoter-controlled agents. In the record: "accumulated a loss of over **Rs 13,000 crore**[60]; total dues **Rs 36,500 crore**[60]".

EVERY CODED CASE — THE BORROWER, THE SOURCE, AND WHAT THE FILE SHOWED (2 OF 4)

BORROWER & SOURCE	MAIN WEAKNESS (TYPE)	WHAT THE FILE SHOWED AT APPROVAL
SREI group · Rs 32,750 cr[67] · Forensic / audit finding · NCLT Kolkata, C.P. (IB)-294/KB/2021	Related-Party — Connected-Party Evergreening	Large lending to connected parties was refinanced in a pattern the special audit read as evergreening. In the record: “large lending to connected parties; refinancing to evergreen loans”.
Alok Industries · Rs 30,000 cr[38] · Court / tribunal order · NCLT Mumbai, CP(IB) 48/MB/2017; SC CA 9406 of 2018	CP Waivers — Condition Precedent Override	Working-capital limits were repeatedly enhanced despite consistent failures to meet prior export obligations. In the record: “limits repeatedly enhanced despite failures to meet prior obligations”.
Jaypee Infratech · Rs 23,000 cr[31] · Court / tribunal order · Supreme Court, Jaiprakash Associates v Jaypee Infratech (2024)	Group Exposure — Subsidiary Pledged for Parent	The company mortgaged its own land to secure debt of its holding company, later held preferential and undervalued. In the record: “mortgaged 858 acres to secure debt owed by its holding company”.
ABG Shipyard · Rs 22,842 cr[66] · Investigation record · CBI Case 54 of 2022 (FIR RC2232022A0002); NCLT Ahmedabad CP(IB) 53/2017	Related-Party — Overseas Diversion	A 28-bank consortium carried heavy exposure to a cyclical shipbuilder; funds later found diverted to affiliated and overseas entities. In the record: “investments in overseas subsidiaries; money transferred to several related parties”.
Videocon group · Rs 22,000 cr[36] · Court / tribunal order · NCLT Mumbai, CP(IB) 02/MB/2018 (substantive consolidation)	Group Exposure — Consortium Ring-fencing	Thirteen group entities were consolidated for insolvency on the basis of commingled, cross-guaranteed consortium lending. In the record: “domestic entities of the Videocon group consolidated on commingled group lending”.
Yes Bank exposures (Rana Kapoor era) · Rs 20,000 cr[33] · Court / tribunal order · SEBI adjudication orders (Yes Bank / Rana Kapoor)	Related-Party — Credit-Committee Override	A management committee sanctioned large exposures to stressed groups despite internal risk deviations recorded at appraisal. In the record: “management committee sanctioned exposures despite recorded risk deviations”.
Sterling Biotech / Sandesara group · Rs 15,000 cr[72] · Investigation record · NCLT Mumbai, CP(IB) 490/MB/2018 (NCLAT liquidation)	Related-Party — Consortium-Loan Diversion	Consortium working-capital and term loans were diverted through shell companies, with the sanction process later investigated. In the record: “consortium term loans diverted using shell companies”.
Reliance Home Finance · Rs 14,577 cr[65] · Forensic / audit finding · SEBI order + Grant Thornton forensic (Reliance Home Finance)	Related-Party — 88% of Loans to Linked Entities	About 88.76%[65] of general-purpose corporate loans — Rs 12,487 crore[65] of Rs 14,577 crore[65] — were disbursed to potentially indirectly linked entities. In the record: “88.76%[65] of corporate loans disbursed to potentially indirectly linked entities”.
Electrosteel Steels · Rs 13,175 cr[79] · Forensic / audit finding · NCLT Kolkata CP(IB) 36/KB/2017; CBI FIR RC 219 2018 E0016	Related-Party — Vendor Ecosystems	Greenfield project loans bypassed end-use verification and were routed back as project equity. In the record: “loan funds bypassed end-use verification, routed back as equity”.

EVERY CODED CASE — THE BORROWER, THE SOURCE, AND WHAT THE FILE SHOWED (3 OF 4)

BORROWER & SOURCE	MAIN WEAKNESS (TYPE)	WHAT THE FILE SHOWED AT APPROVAL
Amtek Auto · Rs 12,600 cr[34] · Court / tribunal order · Supreme Court, Civil Appeal No. 6707 of 2019	Aggressive Assumptions / Leverage — Debt-Funded Acquisition Spree	A debt-funded acquisition spree took bank borrowings from about **Rs 3,800 crore**[34] to **Rs 14,200 crore**[34] while returns lagged the debt. In the record: “bank borrowings had jumped from **Rs 3,800 crore**[34] to **Rs 14,200 crore**[34]”.
Ruchi Soya Industries · Rs 12,000 cr[76] · Forensic / audit finding · NCLT Mumbai, Ruchi Soya CIRP (RBI second list, 2017)	Related-Party — Circular Trading (Inflated Lists)	Working-capital and commodity credit was extended amid circular trading and related-party dealings that a later forensic audit was ordered to probe. In the record: “circular trading and related-party dealings; forensic audit ordered”.
Monnet Ispat & Energy · Rs 11,000 cr[40] · Court / tribunal order · NCLT Mumbai, CP(IB) 1142/MB/2017	Group Exposure — Cash Flow Ring-fencing	Project-finance models commingled sponge-iron cash flows with an unviable power-sector expansion. In the record: “sponge-iron cash flows commingled with unviable power expansion”.
Era Infra Engineering · Rs 10,065 cr[74] · Forensic / audit finding · NCLT Principal Bench CP(IB) 190/PB/2017; SFIO Investigation Records	Group Exposure — Cross-Collateralization	Multiple subsidiaries borrowed against overlapping EPC contract receivables, a group-exposure pattern the SFIO detailed. In the record: “subsidiaries borrowed against overlapping EPC contract receivables”.
Kingfisher Airlines · Rs 9,000 cr[62] · Investigation record · Karnataka High Court, W.P. No. 11091/2016	Collateral — Brand-Value Collateral	A short-term loan was sanctioned to a loss-making airline partly against an intangible brand valuation, breaching the bank's exposure cap. In the record: “exposure to be restricted to **Rs 750 crore**[62] rose to **Rs 900 crore**[62]”.
Coastal Projects · Rs 9,000 cr[62] · Investigation record · CBI Case RC0832021E0005; NCLT Kolkata CP(IB) 593/KB/2017	Collateral — Security Deficiencies	Loans were sanctioned relying on deeply flawed independent valuations of unlisted shares. In the record: “loans relying on flawed valuations of unlisted shares”.
Winsome Diamonds · Rs 8,296 cr[73] · Forensic / audit finding · NCLT Ahmedabad, CP(IB) 20/AHM/2018	Aggressive Assumptions / Leverage — LC on Aggressive Projections	Letters of credit were issued on aggressive business projections, then diverted to UAE-based entities. In the record: “letters of credit issued on aggressive projections, diverted to UAE entities”.
Deccan Chronicle Holdings · Rs 8,000 cr[42] · Court / tribunal order · NCLT Hyderabad, CP(IB) 41/7/HDB/2017	Collateral — Multiple Collateralisation	Loans were raised from different banks against the same collateral, with early-warning checks across lenders failing to detect the repeat hypothecation. In the record: “loans from different banks against the same collateral”.
Bajaj Hindusthan Sugar · Rs 8,000 cr[42] · Forensic / audit finding · SEBI order (Bajaj Hindusthan Sugar)	Related-Party — Inter-Corporate Diversion	Company funds were routed as inter-corporate loans to connected entities, a related-party lending pattern SEBI probed. In the record: “fund diversion through inter-corporate loans to connected entities”.

EVERY CODED CASE — THE BORROWER, THE SOURCE, AND WHAT THE FILE SHOWED (4 OF 4)

BORROWER & SOURCE	MAIN WEAKNESS (TYPE)	WHAT THE FILE SHOWED AT APPROVAL
Sintex Industries · Rs 7,000 cr[71] · Forensic / audit finding · NCLT + forensic (Sintex Industries)	Related-Party — Dubious Assessment & Diversion	A forensic flagged dubious credit assessment and rampant fund diversion at the plastics and textiles maker. In the record: “dubious assessment and rampant diversion of funds”.
IVRCL Limited · Rs 6,000 cr[41] · Court / tribunal order · NCLT Hyderabad / NCLAT (IVRCL CIRP, 2018)	Group Exposure — Overlapping Receivables	Project receivables were carried on the books though most belonged to sub-contractors held in a fiduciary capacity — an overlapping-receivables structure. In the record: “**96%** of project receivables belonged to the sub-contractor, held in fiduciary capacity”.
REI Agro · Rs 5,900 cr[78] · Forensic / audit finding · NCLT Kolkata CP(IB) 73/KB/2017; CBI FIR RC 051 2015 E0013	Related-Party — Circular Trading	Packing-credit limits were sanctioned on inflated debtor/creditor lists; the credit memo failed to verify counterparty authenticity. In the record: “engaged in circular trading with non-existent entities”.
Uttam Galva Steels · Rs 5,000 cr[39] · Court / tribunal order · Supreme Court, Civil Appeal 9402-9405 of 2018 (ArcelorMittal)	Related-Party — Promoter Related-Party	The borrower's promoter was a related party of a global steelmaker, a connected-party structure central to the later insolvency-eligibility dispute. In the record: “promoter was a related party of the bidding steelmaker”.
Rotomac Global · Rs 3,695 cr[75] · Forensic / audit finding · NCLT Allahabad, CP(IB) 63/ALD/2017	Aggressive Assumptions / Leverage — Export-Credit Round-Tripping	Packing credit for exports was sanctioned and round-tripped without genuine underlying export orders. In the record: “packing credit sanctioned; funds round-tripped without export orders”.
PC Jeweller · Rs 3,500 cr[64] · Forensic / audit finding · ED bank-fraud case; SBI (PC Jeweller)	Aggressive Assumptions / Leverage — Loans on Inflated Sales	Loans were availed on inflated jewellery sales and receivables later probed as bank fraud; the promoter was arrested by the ED. In the record: “loans availed on inflated sales; promoter arrested for bank fraud”.
Educomp Solutions · Rs 3,000 cr[80] · Forensic / audit finding · NCLT Principal Bench, CP(IB) 10/PB/2017	Aggressive Assumptions / Leverage — Inflated Asset Deployment	Credit sanctioned for educational infrastructure diverged sharply from on-ground deployment, with avoidance transactions and inflated billing later found. In the record: “credit for infrastructure diverged from on-ground deployment; inflated billing”.
Lakshmi Vilas Bank / Religare Finvest · Rs 2,473 cr[32] · Court / tribunal order · Delhi High Court (Religare Finvest / LVB)	Related-Party — Subsidiary-Routed Diversion	About **Rs 2,473.66 crore**[32] was diverted through the material subsidiary to promoter-linked entities, with 21 loans rerouting funds to promoter firms on the same day. In the record: “diversion of funds of **Rs 2473.66 crore**[32] ... through a material subsidiary to promoter-linked entities”.
Total — 34 coded cases · Rs 7,73,375 cr[15] total exposure		

THE COMPLETE SCREEN — EVERY REJECTED CANDIDATE, NAMED

Named, then deliberately held OUT of the analysis pool.

Most are negative controls — the failure is real, but the weakness sits at the wrong stage (post-disbursement diversion, not the origination file), so coding it would overstate what was visible at sanction. The rest are pre-intake product mismatches, or cases resting on inference rather than a qualifying public document. Naming every one keeps the screen auditable, not cherry-picked — of 47 screened, 34 were coded, 11 rejected and 2 dropped pre-intake.

CANDIDATE	DISPOSITION	WHY NOT CODED
Cox & Kings	Negative control	SEBI/ED show about **Rs 6,968 crore**[1] borrowed from Yes Bank and others was diverted to promoter-controlled entities AFTER disbursement — post-sanction siphoning, not a sanction-stage structural weakness.
Amrapali group	Negative control	Supreme Court found homebuyer and bank funds diverted to dummy companies AFTER receipt — post-disbursement diversion; the sanction decision itself is not the isolated weakness.
Unitech	Negative control	Supreme Court found funds diverted abroad by promoters after receipt — post-disbursement diversion, not a documented sanction-stage weakness.
CG Power	Negative control	Grant Thornton forensic is public (SEBI ex-parte order, Sep 2019) but documents post-sanction round-tripping / unauthorised related-party transactions — public evidence, wrong stage.
Bhushan Steel (parent)	Negative control	NCLT order logs SFIO fund-diversion (post-disbursement); no document isolates an origination-stage weakness distinct from the collapse; exposure covered by Bhushan Power & Steel.
Simbhaoli Sugars	Negative control	The public record shows post-sanction credit diversion (a CBI matter); no sanction-stage underwriting weakness is isolated on the record — dropped for the same wrong-stage reason as the others. Deal size is not a screen; the signal catalogue is size-agnostic.
Visa Steel	Negative control	RBI second-list account; about **Rs 982 cr**[21] default resolved via an asset-reconstruction settlement — over-leverage only, no isolated origination-stage signal on the record.
Jayaswal Neco Industries	Negative control	RBI second-list account restructured out of insolvency via an asset-reconstruction agreement; no origination-stage weakness isolated on the public record.
Orchid Pharma	Negative control	RBI second-list account; the pledged promoter holding is standard security, not a documented origination-stage deficiency.
SEL Manufacturing	Negative control	RBI second-list account (first referred); circular-trading questions were raised but no origination-stage weakness is isolated on the public record.
Soma Enterprise	Negative control	RBI second-list account; no public document isolates an origination-stage weakness distinct from the default.
PNB-Nirav Modi (LoU)	Pre-intake drop	Letter-of-undertaking operational-risk fraud, not credit underwriting.
Zee / Essel (loan-against-shares)	Pre-intake drop	Capital-market margin product, outside the origination-underwriting thesis.

No send-list lender is named as originator anywhere. · *Source: ZenLearn Research*

THE MATCHED-SURVIVOR SET — CARRIED THE SIGNALS, DID NOT FAIL

SURVIVOR	SECTOR	SIGNAL CARRIED AT ORIGINATION
Tata Steel	Metals	Leverage — about **$7.3bn**[44] Corus debt
Bharti Airtel	Telecom	Leverage — **$10.7bn**[45] Zain deal, gearing above 1x
Vedanta / Sesa Sterlite	Metals	Group-exposure + leverage — **$1.25bn**[46] Cairn intra-group loan
JSW Steel	Steel	Leverage — net debt about **Rs 73,916 crore**[50], within caps
Jindal Steel & Power	Steel	Leverage — peak net debt near **Rs 46,400 crore**[51], deleveraged
Bajaj Finance; Mahindra Finance; LIC Housing	NBFC / financial	Group-exposure — group-affiliated NBFCs, no related-party routing
Larsen & Toubro	Infrastructure / EPC	Leverage + group-exposure — many subsidiaries, no default
Reliance Industries; UltraTech; Motherson; Vardhman; Tata Motors; Hindalco; Adani	Diversified	Leverage / group-exposure at origination, no default
Total — 16 comparable survivors		**13 carried leverage · 6 group-exposure · 0 related-party routing**

A comparable, deliberately-chosen survivor set, not a random sample. None carried related-party lending — the signal that separates the two groups. · *Source: ZenLearn Research*

> THE POINT
>
> A corpus is only as honest as the cases it throws away and the survivors it tests against: both are on the page, by name.

07 Every coding decision is reproducible and auditable to source

> Every coding decision is auditable: eleven origination signals, each anchored to a primary RBI source, coded by an explicit rule and graded by evidence quality.

11
SIGNALS IN 5 TYPOLOGIES

A-C
GRADES USED IN HEADLINE STATS

25%
CONNECTED-GROUP CAP ANCHORING THE GROUP-EXPOSURE SIGNAL

The catalogue is the instrument — the operational ontology a judgment diagnostic runs on, not merely a list of things to watch. Eleven signals sit in five typologies, each with an operational definition, the origination-file location where it shows, and a reason it matters anchored to a primary rule.

What makes it an instrument rather than a checklist is that both halves — operational definitions precise enough that two independent reviewers code the same fact identically, and a comparable set of failures and survivors that turns 'what discriminates' into a test rather than an assertion — have to be built together, which a lone reviewer or a one-off file sample cannot do.

Why an inter-reviewer agreement rate is the core of the instrument, not a nicety: expert judgment on the same file is famously inconsistent. In the 'noise audit' reported by Kahneman, Sibony and Sunstein (Noise, 2021), underwriters at an insurer — each pricing the identical case — differed by a median of about 55 percent, roughly five times the 10 percent their own executives had expected.

If two trained professionals disagree that much on one file, 'we review our files' is not a measurement until the disagreement is itself measured — which is exactly what coding every case with two independent reviewers, against a fixed ontology, is built to capture.

A signal fires only if the origination-stage fact is explicitly stated in a qualifying public document, supported by that document, and independently verifiable from the citation. If the fact is inferred, reconstructed from news, or established only after sanction, it does not fire.

Evidence is graded on a five-tier scale; headline frequency and discrimination use the top three grades only, and the 5 investigative-only cases are reported per-case but excluded from the aggregates.

One honest limit: many tribunal orders on the public portals are scanned images, not machine-readable text, so extraction depth is uneven — which is why the study reports what the record permits and drops what it does not.

THE SIGNAL CATALOGUE — ALL 11 ORIGINATION SIGNALS

SIGNAL	TYPOLOGY	WHAT IT FLAGS AT SANCTION	PRIMARY ANCHOR (RBI)
Leverage at sanction	Aggressive assumptions & leverage	Debt/equity or net-debt/EBITDA above the internal norm at sanction	Master Circular — financial viability & sensitivity analysis
Assumption clustering	Aggressive assumptions & leverage	Multiple optimistic assumptions stacked to clear the hurdle	Master Circular — identify project risks
DSCR dependency	Aggressive assumptions & leverage	Debt-service cover clears only on projected expansion	Master Circular — risk & sensitivity analysis
Related-party / end-use routing	Related-party ecosystems	Real destination is a connected entity via circuitous trade or unverified end-use	Large Exposures Framework — **25%** group cap
Governance / promoter-concentration	Related-party ecosystems	Concentrated control, or a committee overriding its own risk team	Master Circular — creditworthiness evaluation
Security insufficiency	Collateral deficiencies	Collateral cover below norm, or intangible / over-inflated security	Master Circular — security not a substitute for appraisal
Promoter-guarantee primacy	Collateral deficiencies	A guarantee substituting for demonstrated repayment capacity	Master Circular — guarantee not a substitute
Group exposure / ring-fencing	Group exposure & ring-fencing	Stable-entity cash commingled with, or pledged to, distressed sister concerns	Large Exposures Framework — **25%** group cap
Covenant-design weakness	Condition-precedent & covenant waivers	Absent / unenforceable covenants that enable evergreening	Master Circular — risk & sensitivity analysis
Condition-precedent waiver	Condition-precedent & covenant waivers	Disbursement before key conditions precedent are satisfied	Master Circular — risk-mitigation appraisal
Absent phased-disbursement	Condition-precedent & covenant waivers	Funds released ahead of milestones, no phased schedule	Master Circular — risk-mitigation appraisal

The instrument and its IP: each signal has an operational definition and a primary-source anchor before any case is coded. · *Source: ZenLearn Research*

THE INSTRUMENT, IN NUMBERS

METRIC	COUNT
Coded cases	50 — 34 adjudicated failures plus 16 comparable survivors
Candidates screened to build it	47 named entities — 34 qualified, 11 rejected at the evidence gate, 2 dropped pre-intake
Judgment signals	11, grouped in 5 origination typologies
Evidence-grade tiers	5 (A original sanction document to E secondary account); headline counts use A-C only
Signal-fires coded	60 across the 30 documented failures — a case rarely fails on one flaw
Negative controls held out	11 wrong-stage cases (post-disbursement diversion) excluded by rule
Source discipline	every case tied to a specific court / tribunal / forensic / regulatory citation

This is a built instrument behind the finding, not a literature review. Reviewer-calibration and inter-rater-agreement metrics are the OUTPUT of running it on a bank's own book, reported per engagement — not claimed for this public corpus. · *Source: ZenLearn Research*

HOW STRONG IS THE EVIDENCE BEHIND EACH CASE?

EVIDENCE TYPE (PLAIN)	WHAT IT MEANS
Original sanction document	The bank's own credit memo / appraisal on the record (strongest)
Court / tribunal order	A Supreme Court, NCLT / NCLAT, High Court or SEBI order
Forensic / audit finding	A forensic or transaction audit quoted on the public record
Investigation record	A CBI / ED / SFIO charge sheet or FIR — reported per-case, kept out of the headline count
Secondary account	Media or secondary reconstruction — excluded

The headline counts use only the top three (a sanction document, a court order, or a forensic finding). · *Source: ZenLearn Research*

> THE POINT
>
> One mis-defined signal discredits the library, so each is fixed to a primary rule before any case is coded — the method is the credibility.

08 What the framework expects, and what this cannot claim

> What the files showed maps directly onto expectations the RBI framework already sets — so the gap is legibility, not the absence of a rule — and, tested against 16 survivors, the study still cannot state a failure rate or predict.

25%
CONNECTED-GROUP EXPOSURE CAP (LARGE EXPOSURES FRAMEWORK)

12
ACCOUNTS REFERRED TO THE INSOLVENCY CODE, JUNE 2017

0
PREDICTIVE CLAIMS — THE STUDY MEASURES, IT DOES NOT FORECAST

This is a comparison, not an accusation. The related-party and group-exposure pattern sits against a rule that already caps connected-group exposure at 25 percent of eligible capital. The assumptions-and-leverage pattern sits against an appraisal standard that already requires viability to be tested with sensitivity analysis, and holds that security is not a substitute for appraisal.

The institutional universe was itself defined by the regulator — the 12 accounts the Internal Advisory Committee referred to the insolvency code in June 2017. In inspection practice, these are exactly the features a risk-based supervisory review probes; the study codes what a reviewer could see, not whether it was weighed.

The pattern is not parochial, either. When foreign regulators have run the same forensic on their own large-credit failures, they have landed in the same place: the weakness was legible at the decision. The UK Parliamentary Commission on Banking Standards, dissecting the collapse of HBOS in 'An accident waiting to happen' (2013), found a corporate loan book whose concentration and aggressive growth were evident well before the losses crystallised; the FSA's post-mortem on the Royal Bank of Scotland (2011) reached a comparable verdict on credit and acquisition judgment; and in the United States the Financial Crisis Inquiry Commission (2011) documented underwriting standards that had deteriorated in plain sight.

India's adjudicated record is the same finding in a different jurisdiction — the origination decision, not the later default, is where the signal lived.

The limits are stated plainly. Survivorship: the corpus is failures, tested against a comparable, deliberately-chosen survivor set (not a random sample), so it can show a signal is non-discriminative but cannot yield a failure rate.

Hindsight: coding a file when the outcome is known makes a signal easier to see; the fire/no-fire rule constrains this but cannot remove it.

Public-record incompleteness: origination detail surfaces unevenly, which is why three catalogued signals barely appear. These limits are not a hedge — they are why the honest next step is to measure the discriminator in files whose outcome is not yet known: your own.

One last boundary, on transferability across ticket size. This corpus is large-ticket, and its single discriminator — related-party lending, with governance override behind it — is partly a large-ticket phenomenon: both are senior, committee-level decisions a small loan-against-property or SME file rarely involves.

What does carry down-market is the appraisal-craft half of the catalogue — assumption clustering, DSCR dependence on expansion, security or collateral insufficiency (the inflated-valuation problem in LAP), and weak covenant design — the decisions the credit memo itself controls, and the ones the study's own segment data already shows leading in the smaller-ticket books, where assumption clustering is the top signal in trade finance and working capital. So for a CAM-heavy, small-ticket portfolio the read is not 'watch for related-party routing' but 'watch the appraisal craft' — the same instrument, weighted to a different signal set.

Testing that properly needs a book where those files exist in volume, which public adjudication cannot supply but a bank's own SME and LAP portfolio can.

WHAT THE FRAMEWORK EXPECTS VS WHAT THE FILES SHOWED

SUPERVISORY EXPECTATION	RECURRING SIGNAL IN THE FILES
Connected-group exposure capped at 25% of eligible capital	Related-party and group-exposure primacy
Appraise viability with risk and sensitivity analysis	Aggressive assumptions and leverage at sanction
Security is not a substitute for credit appraisal	Collateral deficiencies, including intangible security
Appraise risk mitigation and project contracts	Covenant-design weakness and condition-precedent waivers

Comparison only. Presence of a documented feature is not a finding that any appraisal was inadequate. · *Source: ZenLearn Research*

THE POINT

The rules to see these weaknesses already existed; the contribution is to show the discriminating one was legible in the file — and to admit, out loud, what a failure-only study cannot claim.

09 Practitioner heuristics show what to look for at sanction and after

> The discriminator this study isolates — related-party lending, with governance override behind it — is not detectable only in hindsight; there are practitioner checks that surface the same pattern in the file itself and in the borrower's accounts after disbursement. Each check ties to an existing RBI, Companies Act, Ind AS, SEBI or auditor standard that the bank already owes.

This annex draws two working lists. The first is the sanction-stage read — signals that a two-reviewer diagnostic can code from the origination file itself. The second is the post-disbursement read — signals that surface in the borrower's own subsequent accounts, and that the RBI's diversion-of-funds and siphoning-of-funds doctrine (set out in the Master Circular on Wilful Defaulters) makes the bank responsible for identifying.

The lists are not novel. Every check maps onto a rule the bank already holds — the Wilful Defaulters Master Circular, the Large Exposures Framework, Companies Act Section 188, Ind AS 24, SEBI's LODR Regulation 23, and CARO 2020's auditor-reporting clauses.

The value in listing them together is that a reviewer running the eleven-signal diagnostic can, in one pass, code the sanction-stage record and pull the post-disbursement counter-checks from the same primary sources — a repeatable operating rhythm, not a one-off forensic.

A note on doctrine. The RBI Master Circular on Wilful Defaulters (DBR.No.CID.BC.22/20.16.003/2015-16, **1 July 2015**) defines diversion of funds against six explicit clauses — misuse of short-term funds for long-term purposes, deployment for activities other than the sanctioned purpose, transfer to subsidiaries or group companies, routing through a non-lender bank without permission, investment in shares or debt instruments without lender approval, and any unexplained shortfall between amounts disbursed and amounts deployed.

Siphoning of funds is defined more narrowly: borrowed funds used for purposes unrelated to the operations of the borrower, to the detriment of the entity's financial health or of the lender. The two lists that follow read those clauses against the file and against the accounts.

PRE-SANCTION — SIGNALS FROM THE FILE ITSELF

Each row names a check the sanctioning reviewer (and the two-reviewer diagnostic) can run from documents already on the file, and the primary source that makes the check enforceable. Where the check reads the auditor's disclosure, the source column names the standard the auditor is bound to.

SIGNAL TO CHECK	WHERE TO LOOK ON THE FILE	PRIMARY SOURCE
Loans and advances to unrelated companies in the borrower's own books	Balance-sheet schedule of loans and advances; auditor's Related-Party disclosure note	Ind AS 24; Companies Act 2013 s. 188; CARO 2020 cl. (iii)
Related-party expenses out of proportion — rent, purchases, commissions to related suppliers or vendors	P&L schedule; Ind AS 24 disclosure note; auditor's SA 550 workpapers	Ind AS 24; SA 550 (ICAI); SEBI LODR Reg. 23
Employee expense growth ahead of revenue over 2-3 years (peer comparison)	P&L trend across 2-3 years; MCA-filed accounts; sector peer benchmark	RBI Wilful Defaulters MC — siphoning proxy; peer benchmarking
Dividend payouts pre-sanction, or shortly before drawdown, from a leveraged position	Cash-flow statement; board minutes; interim dividend history	Companies Act 2013 s. 123; RBI Wilful Defaulters MC — siphoning clause
Undisclosed beneficial ownership behind related parties (common directors, hidden group linkage)	KYC / customer-due-diligence file; MCA director-DIN records; MCA significant beneficial owner filings	RBI KYC Master Direction 2016; Companies Act 2013 s. 90 (SBO); FATF Rec. 24-25
Group-exposure against the 25 percent connected-counterparty cap	Credit-committee memo; large-exposure quarterly return; consortium sharing schedule	RBI Large Exposures Framework, 3 June 2016 (25% cap)
Governance override — a credit committee sanction against its own risk team's recorded dissent	Credit-committee minutes; risk-team appraisal memo; dissent register	Basel Core Principles; RBI Master Circular on Loans and Advances — appraisal standard
End-use certification that does not name the specific use for which the loan is sought	Sanction letter; end-use undertaking; borrower CA certificate	RBI Master Circular on Loans and Advances — end-use verification clause

Source column names the definitive primary source the check rests on. Where more than one applies, the source that carries penal or supervisory consequence is listed first. · *Source: ZenLearn Research*

POST-DISBURSEMENT — SIGNALS FROM MONEY MOVEMENT

Each row is a signal from the borrower's own subsequent accounts and bank flows. The bank's obligation to look for these is set out in the RBI Master Circular on Wilful Defaulters; the check itself is one the credit-monitoring or early-warning function can run quarterly from primary financial data.

SIGNAL TO CHECK	WHERE TO LOOK AFTER DISBURSEMENT	PRIMARY SOURCE
Investment in shares, mutual funds, real estate or immovable property from borrowed funds	Cash-flow statement (investing activities); borrower's investment ledger; balance-sheet non-current investments	RBI Wilful Defaulters MC — clause on investment in other companies without lender approval
Round-tripping via related parties, or divestment overseas (subsidiary abroad, foreign JV)	AD Category-I bank remittance records; overseas subsidiary consolidated accounts; MCA consolidated filings	RBI Wilful Defaulters MC — transfer of borrowed funds; FEMA compliance records
Shortfall between amount disbursed and amount actually deployed, unexplained	End-use utilisation report; CA-certified deployment statement; bank statement reconciliation	RBI Wilful Defaulters MC — clause (f) on unexplained shortfall
Routing of funds through a bank other than the lender or consortium without prior permission	Borrower's bank-statement schedule; consortium monitoring return	RBI Wilful Defaulters MC — clause (d) on routing without lender permission
Rising cash-in-hand, or advances to suppliers or employees, without operational basis	Balance-sheet trend across 2-**3 years**; CA-certified working-capital statement	RBI Wilful Defaulters MC — siphoning proxy; CARO 2020 cl. (ix)
Diversion into subsidiaries as interest-free loans or as advances against nothing on the record	Consolidated balance-sheet notes; MCA consolidated accounts; related-party disclosure	RBI Wilful Defaulters MC — clause (c) on transfer to subsidiaries; Ind AS 24
End-use certificate contradicted by the borrower's own cash-flow statement	End-use certificate; auditor's UCR (utilisation certificate review) working papers	RBI Master Circular on Loans and Advances — end-use verification; CARO 2020 cl. (ix)
Short-term working-capital funds used for long-term capex or acquisition	Working-capital utilisation return; capex disclosure; borrower's fund-flow statement	RBI Wilful Defaulters MC — clause (a) on short-term / long-term mismatch

The RBI Master Circular on Wilful Defaulters (DBR.No.CID.BC.22/20.16.003/2015-16, **1 July 2015**) is the operative doctrine on both diversion and siphoning; each clause referenced above is taken verbatim from that circular. · *Source: ZenLearn Research*

10 The next step is to measure the discriminator in your own book

> This study can show the discriminating weakness was legible at sanction in 30 public failures. It cannot show whether it is legible in your own book — and that is the one question that matters for a live portfolio. There is a defined way to answer it.

~20 files
YOUR RECENT LARGE SANCTIONS, DUAL-REVIEWED

3 outputs
DISAGREEMENT RATE, SIGNAL BENCHMARK, EXECUTIVE READOUT

~2 weeks
TO AN EXECUTIVE READOUT ON YOUR OWN BOOK

Read at pattern level, the finding is checkable: related-party lending separated 19 of 30 failures from every one of the 16 survivors, and it sat on the origination record before the outcome. A chief risk officer does not need this report to learn whether that pattern is in last quarter's large sanctions — the file already holds the answer.

The open question is whether the bank can read it.

ZenLearn runs this same sanction-stage signal read on a bank's own book, as an Independent Judgment Diagnostic. It takes roughly twenty of your recent large sanctions, reads each with two independent reviewers against the eleven-signal catalogue weighted to your segment mix, and returns three things a board can act on: a reviewer-disagreement rate (how stable your origination judgment is), the share of files firing two or more signals with related-party lending weighted as the discriminator, and a signal-frequency benchmark against this corpus of failures — with an executive readout in about two weeks.

If the diagnostic shows your files are legible on the discriminator before the outcome, you have a defensible control to put in front of an inspector; if they are not, you have found it before a default or an inspection did. The primary-source pack behind these **34 cases** is the pre-read.

WHAT YOU RECEIVE — THE DIAGNOSTIC OUTPUT

DELIVERABLE	WHAT IT SHOWS
Reviewer-disagreement matrix	Where two independent reviewers read the same file differently — the instability metric for your origination judgment
Protocol Discipline heat map	Which sanctions carried the discriminator (related-party lending, end-use routing) — a map of where verification was routed around
Business-unit comparison	How signal frequency and disagreement vary across your lending segments and units
Officer-level calibration view	Where the same signals are consistently missed — the credit officers or committees for whom coaching pays
Board summary pack	The one-page read for the risk committee: disagreement rate, signal frequency, and a benchmark against this failure corpus
Priority remediation list	The specific files and gaps to fix first, ranked

Input: about 20 of your own recent large sanctions, dual-reviewed. Output: the six board-ready artefacts above, in roughly two weeks. · *Source: ZenLearn Research*

THE BOARD METRICS — A MONITORED SET FOR THE RISK COMMITTEE

LEADING INDICATOR	WHAT IT TRACKS
Reviewer-disagreement rate	How often two independent reviewers read the same sanctioned file differently — origination-judgment instability
Multi-signal share	Share of large sanctions firing two or more catalogue signals (26 of 30 failures were multi-signal)
Related-party-routing rate	Frequency of the discriminator — lending routed into the borrower's own related companies — in the live book
Dissent-resolution rate	Share of large sanctions with a documented resolution of the risk dissent raised at appraisal
Connected-group-cap check rate	Share of sanctions where connected-group exposure was framed against the **25%** cap before sanction, not after
Governance-override rate	Large sanctions approved against the risk team's recorded dissent

Five-plus leading indicators a CRO can track quarter on quarter — the diagnostic produces the first read, the maturity ladder makes it continuous. · *Source: ZenLearn Research*

> THE POINT
>
> The report proves the problem is real; the Independent Judgment Diagnostic answers whether you have it — twenty files, two reviewers, a disagreement rate, a fortnight.

SD Self-Diagnostic

5 questions, sixty seconds

> Five evidence-based prompts — not policy yes/no, but whether you can produce the artefact. **If you cannot answer three with an artefact, the discriminator is not currently legible in your book before the outcome.**

01	**When** was the last independent dual review of a sample of sanctioned files, and what was the **reviewer-disagreement rate**?	Y / N
02	What **percentage** of your large sanctions contain a documented **resolution of the risk dissent** raised at appraisal?	Y / N
03	Can **Internal Audit reproduce sanction-stage judgment evidence** — how each qualitative risk was weighed — for the last inspection sample?	Y / N
04	For your last ten large sanctions, how many would fire **two or more** of the eleven catalogue signals?	Y / N
05	Can you show, per file, that **connected-group exposure was framed against the 25 percent cap before sanction**, not after?	Y / N

Scoring. These are not answerable from a policy manual. They are answerable only from an **artefact in the file** — which is the whole point.

MM Maturity Model

where you are — and how to move up

> Most banks sit at Level 1–2. Find your row, read the evidence an inspector would actually get at that level, then the single move that advances you.

LVL	STAGE	WHAT AN INSPECTOR GETS	MOVE UP BY
1	**Outcomes only — judgment is invisible** You track ratings, turnaround and NPAs. **How each origination file was judged is unknown** — you cannot answer whether the discriminator this study isolates, related-party lending, was present in last quarter's large sanctions. Judgment is inferred from outcomes, years late.	Ratings, slippage, NPA outcomes — no sanction-stage judgment evidence.	**Code a live sample against the eleven-signal catalogue with a second reviewer, weighted to your segment mix.**
2	**Periodic review — but no measurement** Files are reviewed, but with **no inter-rater measurement**. 'We review our files' cannot be evidenced as **consistent** judgment: two reviewers may read the same qualitative risk differently and no one knows by how much. Review exists; a measurement of judgment does not.	Review notes and gradings; no reviewer-disagreement rate, no signal benchmark.	**Dual-review the sample and record the reviewer-disagreement rate — the first hard number on how stable your origination judgment is.**
3	**Dual-reviewed diagnostic — judgment measured** A dual-reviewed read against the catalogue yields a **disagreement rate and a signal-frequency benchmark against this failure corpus**. This is where the question 'is the discriminator in our own book?' stops being rhetorical and becomes a number a board can act on — origination judgment measured, not just outcomes.	Point-in-time disagreement rate, signal-frequency benchmark, and a per-file Judgment Quotient archetype.	**Make the coded read continuous and take it to individual-officer level.**
4	**Continuous judgment intelligence — an institutional capability** The coded read runs continuously, and the point-in-time diagnostic becomes a live capability: **disagreement analytics, officer-level judgment drift, business-unit comparison, and longitudinal trend** — inspection-defensible, and fed back into appraisal standards and reviewer calibration. This is the difference between a consulting exercise and a system that learns each cycle.	Continuous, timestamped, individual-officer evidence; disagreement analytics; business-unit and longitudinal benchmarks.	**Route disagreement and signal-frequency trends into origination policy and reviewer calibration, so judgment quality is governed, not just reported.**

SB Scope Boundary

what this measures — and what it is not

What this measures, and the adjacent tools it is not.

TOOL / ENGINE	WHAT IT DOES	WHY THIS LAYER IS DISTINCT
Bureau scores and application scorecards	Rank-order borrower default probability	They assume the origination decision is made correctly; they do not evidence how the file was judged.
Early-warning and loan-review systems	Flag post-sanction stress	They act after disbursement; this reads the sanction-stage record.
Forensic audit and NPA prediction models	Reconstruct fraud, or forecast slippage	This is neither; it reads what was documented at sanction and measures whether it is legible.
Internal audit file sampling	Test compliance and control adherence on a periodic sample	A strong audit function can identify a governance or protocol failure on the files it samples — the difference is not ability but method: this is a calibrated, repeatable measurement (the same ontology coded the same way, an inter-reviewer agreement rate, a like-for-like comparison group) rather than a periodic compliance sample.
Credit review and loan-quality review	Re-rate exposures and grade outcomes after the fact	Credit review can flag a weak file, but it is outcome-focused — is the loan performing? — rather than a measure of whether the origination judgment was consistent and legible across reviewers; the discriminator this study isolates sits in the sanction-stage record it does not systematically re-read.
A consulting diagnostic sample	Read a batch of files once and report findings	A one-off read can reproduce the effort but not the two assets that make the read an instrument: a fixed operational ontology coded the same way every time, and a cross-institution failure/survivor corpus to benchmark against — neither of which a single engagement assembles.

CI Where to Look First in Your Own Book

the review load, sized — not a loss estimate

> This is not a cost estimate and not an offer. It points at **where the discriminator would be most legible in your own book** — the reader's own math, to be run on the reader's own files.

LOSS DRIVER	HOW IT HITS THE BOARD'S NUMBER
Exposure at review	The **large-sanction book** that would be read — your own number, not an industry aggregate
Files firing two or more signals	The **manual-review load** — 26 of 30 coded failures were multi-signal
Reviewer disagreement	Marks where the **judgment itself is unstable** and least legible
Inspection effort	The hours to **reproduce sanction-stage judgment evidence** for an inspection sample

Formula & Methodology

`Where to look first = (your annual large-sanction book) x (share of files firing two or more signals)`

- **No loss rate, no service attached** — this points at your own files, not an invoice

ASSUMPTIONS

- No invented loss figure
- The corpus's multi-signal share (26 of 30) is offered only as an **illustrative** parameter for the reader's own book; the correct denominator is your own large-origination book

BB Board Briefing

lift-and-drop for the board pack

SITUATION

Across 34 adjudicated large-credit failures, **leverage and group structure did not separate them from 16 large survivors** that carried the same signals.

What separated them was **related-party routing (19 of 30 failures, 0 survivors)** and governance override — legible on the origination record at sanction.

No bureau score, scorecard or early-warning system evidences that discriminator.

IMPLICATION

The discriminating weakness is **measurable before the outcome**, in a live origination file.

The only open question is **whether it is legible in our own book** — which the report deliberately does not answer, and which only our own files can.

Question for management. Can we produce, for last quarter's large sanctions, documentary evidence of how each qualitative risk was judged at sanction — the same record these failures left behind?

Recommended next step. Commission an **Independent Judgment Diagnostic** — a dual-reviewed read of about 20 of our own recent large sanctions against the eleven-signal catalogue — and report the **reviewer-disagreement rate**, the share firing two or more signals, and a benchmark against this failure corpus, with an executive readout in about two weeks. The primary-source pack behind these cases is the pre-read.

CL Closing

First, the record is more legible than the post-mortems suggest. In 30 adjudicated failures carrying about **Rs 773,375 crore**[15], the structural weakness later blamed for collapse was, in most files, already on the origination record.

Second: **leverage and group structure did not separate the failures from 16 large survivors** that carried the same signals. What separated them was **how the money was routed and whether governance held** — and that discriminator was legible at sanction, before the outcome.

Third, this remains a study of failures, coded in hindsight, and it **does not predict**. That is not a weakness to hide; it is why the report stops where it does. It can show the discriminator was legible at sanction in these 30 failures.

It cannot show whether it is legible in **your own book** — but that question has a defined answer: an **Independent Judgment Diagnostic** on about twenty of your own recent sanctions, benchmarked against this corpus, with an executive readout in two weeks. The study proves the problem; the diagnostic tells you whether you have it.

RS Research Series

This brief is part of ZenLearn Research's structured stream on judgment risk in Indian regulated financial institutions. Briefs are listed in expected order of release.

01 THIS BRIEF · FINANCIAL COMPLIANCE

Visible at Sanction

The present brief in the series.

02 PUBLISHED · CYBERSECURITY

From Regulation to Balance Sheet

Why India's 2026 reimbursement shift turns digital-fraud adjudication into a high-exposure control function — and how existing operating models fail.

03 PUBLISHED · FINANCIAL COMPLIANCE

Credit-Underwriting Safeguards

The unobserved credit-judgment gap in banking decisions — why pre-loss underwriting evidence belongs on the CRO's dashboard.

04 PUBLISHED · FINANCIAL COMPLIANCE

FY25 RBI Enforcement Analysis: Patterns across 353 penalised entities

Quantitative analysis of Rs 54.78 cr in FY25 RBI penalties — breakdown by entity type, the NBFCs barred from new lending, and the FY25 CoR cancellations.

05 PUBLISHED · FINANCIAL COMPLIANCE

Building Judgment-Ready Credit Teams: Credit-officer judgment failures in India's NBFCs

Maps ten recurring credit-officer judgment errors to RBI enforcement actions, FSR observations and credit-bureau data.

06 WORKING PAPER · CORPORATE GOVERNANCE

The Judgment Quotient (JQ) Framework: Measuring decision quality in regulated institutions

Academic working paper, co-authored with faculty at IIM Mumbai, in preparation for a peer-reviewed banking-regulation journal.

07 FORTHCOMING · CYBERSECURITY

Frontline Digital Fraud Triage

How first-line analysts triage suspected-fraud alerts under the clock — where escalation discipline breaks, and what a measured, defensible triage decision looks like.

08 FORTHCOMING · CORPORATE GOVERNANCE

Board Adjudication Governance

What a board should see about the quality of contested-claim and fraud-classification decisions — the governance layer above the adjudication file.

09 FORTHCOMING · FINANCIAL COMPLIANCE

Collections-Conduct Resilience

Decision quality and conduct risk in collections — where commercial pressure erodes protocol discipline, and how to evidence fair-practice adherence.

10 FORTHCOMING · CORPORATE GOVERNANCE

Committee Inspection Readiness

Making the Special Committee for Fraud and the Audit Committee inspection-ready — the decision-quality evidence an RBSA inspector actually asks for.

11 FORTHCOMING · CYBERSECURITY

Silent Risk Absorption

The losses banks quietly absorb rather than adjudicate — sizing the unmeasured write-off and the decisions behind it.

RF Sources & References

primary sources first; secondary marked

Governing instruments · circulars · regulations · rules

01 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Cox&

02 PRIMARY RBI Large Exposures Framework · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=11573

03 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-LEV

04 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-ASM

05 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-DSCR

06 PRIMARY RBI Large Exposures Framework · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=11573#sig-GRP

07 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-GOV

08 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-SEC

09 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-PG

10 PRIMARY RBI Large Exposures Framework · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=11573#sig-GEX

11 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-COV

12 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-CP

13 PRIMARY RBI Master Circular on Loans and Advances · 2016-12-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902#sig-DISB

14 PRIMARY RBI Master Circular on Loans and Advances · 2015-07-01
https://www.rbi.org.in/Scripts/BS_ViewMasCirculardetails.aspx?id=9902

Supporting sources & data

15 PRIMARY ZenLearn Visible-at-Sanction coded corpus · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction

16 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Amrapa

17 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Unitec

18 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-CGPow

19 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Bhusha

20 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Simbha

21 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-VisaS

22 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Jayasw

23 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-Orchid

24 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-SELMa

25 PRIMARY ZenLearn Gate-1 screening · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#nc-SomaE

26 PRIMARY ZenLearn pre-intake screen · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#drop-PNB-Ni

27 PRIMARY ZenLearn pre-intake screen · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#drop-Zee/

28 PRIMARY ZenLearn firewall note · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#firewall

29 PRIMARY ZenLearn method note · 2026-07-02
https://zenlearn.ai/research/visible-at-sanction#method

30 PRIMARY Supreme Court, Piramal Capital v 63 Moons (2025 INSC 421) · 2025-04-01
https://indiankanoon.org/doc/190999006/

31 PRIMARY Supreme Court, Jaiprakash Associates v Jaypee Infratech (2024) · 2024-02-21
https://indiankanoon.org/doc/42755474/

32 PRIMARY SEBI order (Religare Enterprises / RHC / Singh brothers) · 2022-01-01
https://indiankanoon.org/doc/171008369/

33 PRIMARY SEBI adjudication orders (Yes Bank / Rana Kapoor) · 2022-01-01
https://www.sebi.gov.in/enforcement/orders.html#YESBANK

34 PRIMARY Supreme Court, Civil Appeal No. 6707 of 2019 · 2021-02-23
https://www.business-standard.com/article/companies/banks-may-tag-amtek-auto-as-fraud-account-after-mca-finds-fund-diversion-122031001204_1.html

35 PRIMARY Supreme Court, Civil Appeal 8766-8767 of 2019 · 2019-11-15
https://indiankanoon.org/doc/7427609/

36 PRIMARY NCLT Mumbai, CP(IB) 02/MB/2018 (substantive consolidation) · 2019-08-08
https://ibbi.gov.in/uploads/order/c35abc81c64dfd64e29cf289b59fe24d.pdf#VIDEOCON

37 PRIMARY NCLT Mumbai, CP(IB) 1387(MB)2017 · 2019-06-22
https://www.livelaw.in/ibc-cases/nclt-mumbai-approves-resolution-plan-for-reliance-communications-infrastructure-ltd-245182

38 PRIMARY NCLT Mumbai, CP(IB) 48/MB/2017; Supreme Court CA 9406 of 2018 · 2019-03-08
https://www.ipaicmai.in/IPANEW/UploadFiles/Other/Casebook_Alok_Industries.pdf

39 PRIMARY Supreme Court, ArcelorMittal India v Satish Kumar Gupta (CA 9402-9405 of 2018) · 2018-10-04
https://indiankanoon.org/doc/161012846/

40 PRIMARY NCLT Mumbai, CP(IB) 1142/MB/2017 · 2018-07-24
https://ibbi.gov.in/orders/nclt#MONNET

41 PRIMARY NCLAT / NCLT Hyderabad (IVRCL CIRP, RBI second list) · 2018-02-23
https://www.business-standard.com/article/companies/insolvency-row-sbi-moves-nclt-against-debt-ridden-ivrcl-as-deadline-looms-117121100810_1.html

42 PRIMARY NCLT Hyderabad, CP(IB) 41/7/HDB/2017; NCLAT resolution record · 2017-07-01
https://ibbi.gov.in/uploads/order/9a32c2534f31cff829db0fba8c9197c3.pdf

43 PRIMARY RBI June-2017 IAC press release · 2017-06-13
https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=40743

44 attributed Tata Steel disclosures / Corus funding release (2007) · 2026-07-02
https://www.tatasteel.com/media/newsroom/press-releases/india/2007/funding-of-corus-transaction/

45 attributed Business Standard (Bharti-Zain completion, 2010) · 2026-07-02
https://www.business-standard.com/article/companies/bharti-airtel-completes-acquisition-of-zain-110060800176_1.html

46 attributed Business Standard (Vedanta-Cairn inter-company loan, 2015) · 2026-07-02
https://www.business-standard.com/article/companies/vedanta-used-cairn-loan-to-repay-inter-company-loan-115091300210_1.html

47 attributed Reliance Industries AGM 2020 / annual report · 2026-07-02
https://www.ril.com/investors

48 attributed Hindalco annual report / public reporting · 2026-07-02
https://www.hindalco.com/investor-centre

49 attributed Adani group disclosures / public reporting · 2026-07-02
https://www.adanienterprises.com/investors

50 attributed JSW Steel Integrated Report 2023-24 · 2026-07-02
https://www.jswsteel.in/

51 attributed JSPL financials / public reporting · 2026-07-02
https://www.jsplgroup.com/financials.php

52 attributed Bajaj Finance disclosures / public reporting · 2026-07-02
https://www.bajajfinserv.in/

53 attributed Mahindra Finance disclosures / public reporting · 2026-07-02
https://www.mahindrafinance.com/

54 attributed LIC Housing Finance disclosures · 2026-07-02
https://www.lichousing.com/

55 attributed L&T disclosures / public reporting · 2026-07-02
https://www.larsentoubro.com/

56 attributed Motherson disclosures / public reporting · 2026-07-02
https://www.motherson.com/

57 attributed UltraTech disclosures / public reporting · 2026-07-02
https://www.ultratechcement.com/

58 attributed Vardhman disclosures / public reporting · 2026-07-02
https://www.vardhman.com/

59 attributed Tata Motors disclosures / public reporting · 2026-07-02
https://www.tatamotors.com/

60 attributed Supreme Court, 2024 INSC 852 (7 Nov 2024); NCLT Mumbai CIRP · 2024-11-07
https://www.moneylife.in/article/was-jet-airways-a-bankruptcy-or-a-fraud-enabled-by-bankers-and-auditors/72518.html

61 attributed NCLT Mumbai, IA(PLAN)/62/2024; RBI board supersession · 2024-02-27
https://ibbi.gov.in/uploads/order/32a8ce9af273c695f91c74d15f738925.pdf

62 attributed Karnataka High Court, W.P. No. 11091/2016; CBI STL case · 2023-04-11
https://www.businessinsider.in/business/news/former-idbi-gm-conspired-with-vijay-mallya-over-short-term-loan-to-kingfisher-airlines/articleshow/98936880.cms

63 attributed SEBI order (Bajaj Hindusthan Sugar / promoters) · 2023-01-01
https://the420.in/sebi-bajaj-hindusthan-sugar-fund-diversion-probe/

64 attributed ED bank-fraud case; SBI default (PC Jeweller) · 2023-01-01
https://gjepc.org/solitaire/sbi-seizes-pc-jeweller-properties-over-loan-default/

65 attributed SEBI order; Grant Thornton forensic (Reliance Home Finance) · 2022-08-01
https://www.moneylife.in/article/reliance-home-finance-sebi-issues-rs52-crore-demand-notice-to-2-in-illegal-fund-diversion-case/75603.html

66 attributed CBI Case 54 of 2022 (FIR RC2232022A0002); NCLT Ahmedabad CP(IB) 53/2017 · 2022-02-12
https://theprint.in/theprint-essential/5-years-28-banks-rs-23000-cr-debt-how-abg-shipyard-pulled-off-indias-biggest-bank-fraud/831696/

67 attributed NCLT Kolkata, C.P.(IB)-294/KB/2021; RBI board supersession · 2021-10-04
https://www.freepressjournal.in/business/pnb-exposes-2434-crore-loan-fraud-by-former-srei-promoters-flags-evergreening-connected-lending

68 attributed CBI Case RC0832021E0005; NCLT Kolkata CP(IB) 593/KB/2017 · 2021-01-01
https://services.ecourts.gov.in/#COASTAL

69 attributed SBI-initiated forensic on lenders' complaint; IBBI resolution record · 2019-07-09
https://ibbi.gov.in/uploads/order/0614193f018acd00e508ce918806670a.pdf

70 attributed Grant Thornton forensic (on record via NCLAT reconstitution / SFIO prosecution) · 2019-05-15
https://www.business-standard.com/article/news-ians/gt-forensic-report-indicts-ramesh-bawa-in-il-fs-scam-ians-special-119051501284_1.html

71 attributed NCLT + forensic, reported by Moneylife · 2019-05-15
https://www.moneylife.in/article/the-story-behind-corporate-bad-loans-dubious-assessment-rampant-diversion-of-funds-and-meaningless-guarantees/69411.html

72 attributed NCLAT Sterling Biotech liquidation order; CBI/ED PMLA record · 2019-05-08
https://ibbi.gov.in/uploads/order/a2ac9817be72adbb1719160ed286b402.pdf

73 attributed NCLT Ahmedabad, CP(IB) 20/AHM/2018; CBI FIRs referenced · 2018-06-01
https://ibbi.gov.in/uploads/order/7572b5650e318dd6406d86f720a95d7f.pdf

74 attributed NCLT Principal Bench, CP(IB) 190/PB/2017; SFIO findings · 2018-05-08
https://ibbi.gov.in/orders/nclt#ERAINFRA

75 attributed NCLT Allahabad, CP(IB) 63/ALD/2017; CBI case record · 2018-02-18
https://ibbi.gov.in/uploads/order/2e18f0c273e781a5df65b72d2d84a28f.pdf

76 attributed NCLT Mumbai (Ruchi Soya CIRP, RBI second list); forensic audit application · 2017-12-15
https://ibclaw.in/corporate-debtor-2/ruchi-soya-industries-ltd/

77 attributed NCLT Hyderabad, CP(IB) 111/HYD/2017 · 2017-08-07
https://ibbi.gov.in/orders/nclt#LANCO

78 attributed NCLT Kolkata, CP(IB) 73/KB/2017; CBI case record · 2017-08-01
https://ibbi.gov.in/orders/nclt#REIAGRO

79 attributed NCLT Kolkata, CP(IB) No. 36/KB/2017 · 2017-07-21
https://ibbi.gov.in/orders/nclt#ELECTRO

80 attributed NCLT Principal Bench, CP(IB) 10/PB/2017; RP forensic filings · 2017-05-30
https://ibbi.gov.in/uploads/order/21ec20f5f7fdf008ebec9419b4fcb51a.pdf

About ZenLearn

ZenLearn is a prevention-intelligence platform for Indian BFSI institutions. Rather than monitoring what has already happened, it analyses an institution's own decision artefacts — sanctioned credit files, approval rationales, committee records, exceptions, and frontline decision patterns — for structural signatures that historically precede institutional losses. The result is board-grade evidence that enables Chief Risk Officers to identify hidden vulnerabilities before they crystallise into NPAs, regulatory observations, fraud events, or governance failures.

Two complementary instruments on the platform are:

Origination Diagnostic retrospectively examines sanctioned credit files to identify structural fragilities associated with future credit deterioration, policy deviations, documentation weaknesses, and unsupported underwriting judgments. It operates entirely on exported files, requires no integration with core banking systems, and produces a board-ready findings report.

Judgment Instrumentation prospectively measures decision quality as it is being exercised. Delivered within Microsoft Teams or Slack, it captures frontline and committee responses to realistic scenarios in under ninety seconds, creating timestamped, tamper-evident evidence that supports internal governance, inspection readiness, and audit defensibility without introducing another enterprise application.

Together, these instruments address a gap that conventional risk systems leave untouched. Existing platforms measure exposures, controls, transactions, and outcomes. ZenLearn measures the quality of the decisions from which those outcomes emerge, giving institutions an earlier and more actionable layer of risk visibility.

The underlying measurement framework, Judgment Quotient (JQ), is a rigorous, evidence-based methodology for quantifying institutional decision quality. As the framework matures, it will provide a common language for measuring judgment risk across credit, compliance, operational risk, and governance.

Delivery evidence. ZenLearn's judgment-measurement construct has been delivered in production: a DRA certification pilot with a Blackstone-backed ARC cohort recorded an 80–90% pass rate and a 4.6/5 participant NPS.

To go further. To commission a Judgment Risk Map pilot on a sample of your contested-claims adjudications, or to request the underlying primary-source pack behind this report, write to rohit@zenlearn.ai. A personalised response is sent within 24 hours.

Prepared by **Rohit Kumar · ZenLearn Research**

Founder, ZenLearn Research · IIM Mumbai · Former Head of Business, Eko India

ex-CFO: Blackstone IARC, Pristyn Care, GE A&C SE Asia · Engine development, Tata Nano programme

Window: Origination years 2005-2020; adjudication and public-record dates 2017-2025. Coded corpus as of 2 July 2026.

Contact: rohit@zenlearn.ai · zenlearn.ai/judgment · Proprietary & Confidential