WHEN AI HALLUCINATES THE LAW: RETHINKING PROFESSIONAL MISCONDUCT AND JUDICIAL RESPONSIBILITY IN INDIA'S AI-ASSISTED COURTS

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ABSTRACT

The paper highlights the issue of "hallucinations" of AI-aided Indian Judiciary, stressing on the landmark Supreme Court pronouncement in Pooja Ramesh Singh v. J&K Bank Ltd. (2026). The apex court has declared an absolute xero-tolerance standard for AI-produced unverified precedents, upholding those citations to be professional misconduct under Section 35 of the Advocates Act, 1961. The research paper examines the continuous tussle between the trap of efficiency of automatic legal research and the fundamental constitutional safeguards enshrined in Article 21, that includes the right of a fair trial and speedy justice. Comparing with international judicial pronouncements like the Mata v. Avianca, this study advocates that AI-produced unverified precedents divert the rule of law and vitiate the evidentiary efficacy of adjudication. At last, the paper argues for a strong regulation that makes human verification mandatory, protects judicial decision-making, and transforms judicial education to a antagonistic research pedagogy, guaranteeing that technology is a supportive mechanism that does not jeopardize truth and justice.

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I. INTRODUCTION

A. Background: The Digitisation of Indian Courts

The digital transformation of the Indian judiciary has progressed through the e-Courts Mission Mode Project, which is currently entering Phase III to transition court operations toward cloud-based infrastructures and paperless workflows.[3] At the centre of this digital architecture lies the National Judicial Data Grid (NJDG), a real-time open-access database tracking millions of pending and disposed matters across the country. To enhance judicial efficiency and tackle immense case pendency, the Supreme Court of India introduced specialized automation tools, including SUPACE (Supreme Court Portal for Assistance in Court Efficiency) for AI-driven research assistance, and SUVAS (Supreme Court Vidhik Anuvaad Software) for machine-translating legal documents into regional Indian languages. However, the rapid adoption of consumer-facing generative artificial intelligence tools by legal practitioners has outpaced the development of binding regulatory safeguards, introducing serious vulnerabilities into the adjudicatory system.

B. Defining Legal Hallucinations

Unlike traditional legal research databases (such as SCC Online or Manupatra) that function as closed-loop retrieval systems operating on verified judicial records, general-purpose generative AI models rely on large language models (LLMs). Architecturally, these models do not query authenticated legal databases; instead, they operate via probabilistic next-token prediction, generating statistically plausible sequences of text based on patterns absorbed during training.[4] When applied to legal research without domain-specific constraints, this non-deterministic process produces "legal hallucinations"—outputs that are linguistically fluent and formatted like genuine precedents, but are entirely fabricated.

Within judicial filings, legal hallucinations manifest across three distinct categories:

1. Wholly Invented Cases: Entirely fictitious party names, neutral citations, and docket numbers that correspond to no actual decision in any reporter.
2. Genuine Citations with Fabricated Holdings: Authentic case titles and citations paired with AI-invented reasoning, false holdings, or non-existent paragraphs falsely attributed to the real judgment.

[3] *The Digital Transformation of the Indian Judiciary*, Press Information Bureau (Aug. 7, 2026), https://www.pib.gov.in/PressReleasePage.aspx?PRID=2295880&reg=3&lang=1

[4] Bhupendra J Raut, *Manupatra Legal Database and Current Era of an Artificial Intelligence*, 13 International Journal of Research (IJR) 32-49 (2026).

3. Misattributed Quotes: Genuine legal principles or judicial quotes accurately stated but falsely attributed to an unrelated decision.

C. Core Problem Statement & Research Questions

The commercial pressure on advocates to accelerate research and manage heavy caseloads fosters an "efficiency trap," which directly leads to a "verification gap" when AI-generated outputs are pasted into court filings without human cross-checking. Submitting unverified synthetic citations violates the duty of candour and constitutes professional misconduct under Section 35 of the Advocates Act, 1961. Furthermore, when courts or tribunals ground their orders on hallucinated precedents, it subverts the rule of law and infringes upon fundamental guarantees under Article 21 of the Constitution of India. Tested against the procedural fairness standards of Maneka Gandhi v. Union of India[5] and the right to speedy justice in Hussainara Khatoon v. State of Bihar,[6] reliance on fabricated precedents renders decisions arbitrary and causes systemic delays through order revocations and rehearings.

This research paper addresses three central questions:

1. How do the architectural limitations of large language models create structural epistemic risks within common law precedent systems?
2. What is the statutory and constitutional scope of advocate misconduct and judicial responsibility when unverified AI citations pollute court proceedings?
3. How can India construct a source-grounded verification framework that preserves judicial integrity without stifling technological innovation?

D. Scope and Methodology

This study adopts a qualitative, doctrinal, and comparative legal methodology. Doctrinally, it evaluates statutory duties under the Advocates Act, 1961 and the Bar Council of India Rules alongside constitutional standards under Articles 14, 19, and 21. It traces the Indian case law trajectory from early High Court warnings to the Supreme Court's zero-tolerance ruling in Pooja Ramesh Singh v. J&K Bank Ltd.[7] Comparatively, it analyzes international regulatory responses, including Rule 11 of the Federal Rules of Civil Procedure and Mata v. Avianca[8] in the United States, alongside Solicitors Regulation Authority guidance in the United Kingdom, to formulate a robust governance framework for India's courts.

[5] 1978 1 SCC 248
[6] 1980 1 SCC 115
[7] 2026 SCC OnLine SC 1258
[8] 678 F Supp 3d 443 (2023)

II. THE EVOLUTION OF CASE LAW – FROM JUDICIAL CAUTION TO ZERO TOLERANCE

A. Early Judicial Warnings (2023–2025)

Initially the inception of Generative Artificial Intelligence (GenAI) into the legal system of India was dealt with judicial caution. In the case of Christian Louboutin SAS v. Shoe Boutique - Shutiq (2023),[9] the Delhi High Court ruled the first ever warning to the petitioner for using ChatGPT query outputs for proving the brand reputation. The court in this case clearly stated that the use of large language model (LLM) responses in factual or legal issues cannot form the premise of the Judgement. The court held that the use of artificial intelligence can never replace the human intellect but surely perform best when used as an ancillary research instrument and gave expressed warning for using fake precedents. Similar opinion of the Judges were observed in the later case of Jaswinder Singh v. State of Punjab (2023)[10] and Md. Zakir Hussain v. State of Manipur (2024)[11] raising question on the authenticity of the outcome where Advocates use ChatGPT as a research instrument.

Inspite of these warnings, dependence on the consumer-grade AI instrument without verification lead to pecuniary and operational failure within specific tribunals and the High Courts: -

1. Income Tax Appellate Tribunal failure: The Income Tax Appellate Tribunal was compelled to resort to Section 254(2) of the Income-tax Act, 1961 to review its own decision because of the prima facie errors of the record in the case of Buckeye Trust v. PCIT (ITAT Bengaluru, 2024).[12] This decision was related to trust taxation and the investments of ₹669.27 crore valuation which consisted of four precedents given by the Departmental Representative. On further verification it was found that two of the citations were completely false whereas one of the citation was not related to that matter and the fourth was found to be completely irrelevant.
2. Dismissing Automated Tax Assessments: In the case of KMG Wires Pvt. Ltd. v. National Faceless Assessment Centre (Bombay High Court, 2025),[13] the High Court

[9] 2023 SCC OnLine Del 5295
[10] Jaswinder Singh v. State of Punjab, CRM-M-22496-2022, order dated 27-3-2023.
[11] Manipur High Court, *Md. Zakir Hussain v. State of Manipur* (order dated 23 May 2024)
[12] Buckeye Trust v. PCIT-1 Bangalore (ITA No. 1051/Bang/2024)
[13] Primelegal Team, *Bombay High Court Slams Tax Officer for Using Fake AI Citations*, (Nov. 3, 2025), https://blog.primelegal.in/bombay-high-court-censures-tax-officer-ai-generated-fake-case-citations-constitute-professional-misconduct/.

dismissed the assessment order as well as writ notice issued under Article 226 of the Constitution. The tax authorities invoked Section 143(3) assessment that raised the petitioner's income under taxation slab from ₹3.09 crore to ₹27.91 crore. The assessment authority resorted on three legal precedents to validate the rise towards peak loan balances. Subsequent scrutiny revealed that the said three precedent were completely ficititious and created by unverified AI instruments. The High Court further ruled that quasi-judicial officers should not follow the AI search outputs without verifications using primary source.

B. The Jurisprudential Clash: Materiality versus Automatic Invalidation

A primary clash among a materiality-based method and a strict invalidation rule is caused by the conflicting standards set by the Subordinate Courts & High Courts for treating decisions tainted by the artificial material generated by the use of imaginary AI citations in the cases.

In the judgement of Gummadi Usha Rani v. Sure Mallikarjuna Rao (2026),[14] the materiality principle was highlighted by the High Court of Andhra Pradesh. In this case the subordinate court based its judgement on four AI-created fictitious precedents. Later on, the High Court stated that if the basic legal principle applied is just and rightly used in the case then irrespective of the fact that the ficitious case law was mentioned, it does not directly invalidate the decision. Thus the unverified use of AI is dangerous only when it is fatal to the primary legal ratio. The High Court of Jammu and Kashmir and Ladakh in the case of Woodland House School v. Shakeel Ahmad Malik (2026)[15] disagreed to invalidate a temproary salary execution order having two false AI citations, instead the court issued postscript directions to judicial officers for conducting independent scrutiny of all the AI-generated precedents.

The Supreme Court took suo moto cognizance of the appeal in the case of Gummadi Usha Rani v. Sure Mallikarjuna Rao (2026), put the matter on stay in trial court and stated that reliance on the ficititious case laws created by AI is not just an error in decision making but also is the wrongdoing attracting stringent legal consequences.[16] Thus the apex court strictly dismissed this materiality-based tolerance. The Supreme Court served a official notices to the Bar Council of India, the Attorney General of India and the Solicitor General of India to formulate institutional safeguards.

[14] 2026 SCC OnLine SC 341
[15] 2026 SCC OnLine J&K 421
[16] *Governing AI Hallucinations: Evaluating the Supreme Court's Zero-Tolerance Rule*, SCC Times (Sept. 4, 2026), https://www.scconline.com/blog/post/2026/09/04/supreme-court-ai-hallucinations-zero-tolerance-rule/.

C. The Landmark Precedent: Pooja Ramesh Singh v. J&K Bank Ltd. (2026)

In the case of Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. (2026 INSC 668), the Supreme Court laid down the ultimate legal standard on AI fabricated citations.[17]

Facts of the case: The Jammu and Kashmir Bank Ltd. filed for insolvency proceedings as a corporate guarantor under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) against Essel Infraprojects Limited. The said case was admitted by the National Company Law Tribunal (NCLT), Mumbai and later on the NCLT admission decision was further maintained by the National Company Law Appellate Tribunal (NCLAT). In the Supreme Court, six legal precedents on which the NCLT and NCLAT decision was based upon found to be fabricated by Artificial Intelligence. This fabrication included various combinations such as original precedent attached with unrelated judgement in the case of State Bank of India v. Shree Ram Urban Infrastructure, real case titles mapped with AI-created judgement paragraphs in Everest Kento Cylinders and Canara Bank, along with entirely false case titles and citations in ICICI Bank v. Urban Infrastructure & Sarbjit Singh v. Union Bank. The bank made an statement in the court stating that their counsel had never inserted or mentioned any of the six false case precedents and then it was revealed that the imaginary precedents was inserted in the Judgement through the internal research staff of the tribunal.

Ratio Decidendi: The Supreme Court stated five important principles governing AI-created imagination in Indian Legal System. The apex court mandated the Zero-Tolerance by dismissing orders of both the Tribunals and directed to start over the fresh insolvency proceeding for adjudication.

The five principles established by the Supreme Court are as follows:

1. Zero Tolerance Policy: Courts and tribunals must prevent the use of unverified AI-created cases through absolute zero-tolerance policy.
2. Professional Misconduct: As per Section 35 of the Advocates Act, 1961, submission of AI-generated unverified case laws and citation constitute Advocate professional misconduct.
3. Judicial Oversight: Inclusion of imaginary precedents into an order indicate a severe institutional lapse of the concerned Judge.
4. Void ab initio: Judgement based on fabricated precedents are void ab initio.
5. The "Iota" Test of Automatic Invalidation: The Court dimissed the materiality standard, and held that if only an "iota" of imaginary material is present in the

[17] Utkarsh Suman, *The Limits to Delegation: Analyzing Pooja Ramesh Singh vs Jammu and Kashmir Bank LTD*, 8 Indian Journal of Law and Legal Research 225-232 (2026).

decision-making stage, the judgment must be set aside automatically, even when the final outcome is directly or indirectly impacted by the material.

The Supreme Court ordered the Bar Council of India to form a legally binding disciplinary rules of conduct with the penalty structures for advocates who uses synthetic materials in the case.

III. PROFESSIONAL MISCONDUCT VS. JUDICIAL RESPONSIBILITY – MAPPING ACCOUNTABILITY

A. Advocate Accountability under the Advocates Act, 1961

The use of AI-created fabricated or false case laws in the court indicates, the ethical misconduct on the part of advocate's accountability. The Advocates Act, 1961 lays down the rules on professional standards regulating the legal profession in India. Section 35 of the Advocates Act, 1961 states that any professional misconduct on the part of advocate can lead to disciplinary proceedings. After the lardmark judgement in the case of Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. (2026 INSC 668), the submission of unverified or fabricated AI-created case laws in the court is classified as professional misconduct by the advocate. This classification indicate that submission of unverified or fabricated AI-generated legal precedents is not just a innocent error, instead it is an actionable miscondouct that strikes to the core of professional duty.[18]

This professional duty has its backing by the Bar Council of India Rules, that states the duty of the advocates towards the court to not do intentional use of false fact or law. Court gives the meaning of reckless submission of AI-created material as the one in which the advocate intentionally ignores the risk of false output by AI. Therefore, the submission of the fabricated or false information is classified as the constructive fraud commited by the Advocate, who misleads the court with wrong information or takes undue advantage even when it is not an intentional act.

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This ethical duty of the advocate is established by the following legal doctrines:

1. The "Clean Hands" Doctrine: This doctrine was established in the case of Dalip Singh v. State of U.P. (2010). The court held that the veracity should be the guiding star of the legal process, ruling that the advocate attempting to contaminate the course of

[18] *AI-Generated Citations as Professional Misconduct*, Legal Blur (July 31, 2026), https://legalblur.com/ai-generated-citations-as-professional-misconduct/.

justice with foul hands is forbidden from relief. Thus, submission of unverified AI-generated citations is expresed violation of this doctrine.[19]

2. Duty of the law officer: "Advocate is originally the legal officer of the court whose responsibility is to ensure justice is upheld without any obstruction" held in the case of D.P. Chadha v. Triyugi Narain Mishra (2000).[20] The court stated that the use of unverified AI-generated precedents has no scope to use lack of technical awarness as an excuse, instead it is regarded as similar to prsentation of false evidence to mislead the court.
3. Conservation of Judicial Resources: The Supreme Court held in the case of Kishore Samrite v. State of U.P. (2012)[21] that the submission of false details leads to wastage of court's valuable time which is an important public resource and thus impose fine.

Advocates are often caught in a situation of "efficiency trap" due to the huge pressure of deadline leading to over-dependence on the AI instruments, inducing to use unverified result of the AI in the legal documents to be submitted before the court without verfing it with primary sources. Whereas jurisprudence states that the accountability is not delegable or assignable, since AI cannot be made liable therefore all legal liability is on the advocates who has signed and verified the legal document.[22]

B. Judicial Responsibility & The Missing Link

While advocate sanctions are at the limelight but the Pooja Ramesh Singh case highlights that obligation to verify is of both the advocates and the judges. Court stated that if a bench pronounces a judgement based on fake AI-created precedent or information then it is also considered to be a serious lapse on their part. Thus, this act of Judges subverts the rule of law because adjudication needs the direct application of human mind.[23]

The case of Pooja Ramesh Singh disclosed a important "missing link" in the judicial research. Even in the case of Jammu and Kashmir Bank Ltd., the bank argued that all six fabricated precedents were never cited by them instead it was found to be introduced in the judgement by the internal research staff of the tribunal itself. This proves that even the internal research

[19] Dr. Santosh Kumar, *The Doctrine of Clean Hands in Indian Jurisprudence: Judicial Trends and Critique*, 2 The Infinite 33-46 (2025).
[20] AIR 2001 SC 457
[21] (2013) 2 SCC 398
[22] Jane Ellen Cross, *The AI Trap: How Over-Reliance on Generative AI Undermines Professional Development for Law Students and Young Attorneys*, 50 Nova Law Review 277-317 (2026).
[23] *Pooja Ramesh Singh v. Jammu & Kashmir Bank Ltd. & Anr. (2026): Artificial Intelligence, Fake Judicial Authorities and the Responsibility of Legal Professionals*, The Lawscape (Oct. 8, 2026), https://www.thelawscape.in/pooja-ramesh-singh-v-jammu-kashmir-bank-2026-ai-fake-judicial-authorities/.

process can also taint the order of the court even when the advocates act with the complete decorum.

To cope up with this type of error, the global judicial standard shows that there must be complete judicial oversight on the internal staff as well. As per the UK's Guidance for Judicial Office Holders on Artificial Intelligence (2025) expressly states that the judicial office holders must be individually made liable for all the information submitted on their name. The UK guidance requires judges to keep an oversight on the clerks, legal officers and the judicial assistants using the AI instruments, thus establishing a strict verification process to make sure that technology is only used as an auxiliary aid and not as an autonomous decision-making agent.

C. Global Comparative Approaches: Mapping Regulatory Models

Global Jurisdiction have different mechanisms to administer accountability when fabricated legal materials are used in the court proceedings: -

1. United States: The courts in the United States addresses the AI-generated imaginary information mainly using Rule 11 in the Federal Rules of Civil Procedure (FRCP) along with the professional conduct rules. Attorneys must verify each AI-generated result independently before its submission in the court is mandated by the American Bar Assocition (ABA) Formal opinion 512 in July 2024.[24] In the landmark precedent of Mata v. Avianca, Inc. (S.D.N.Y. 2023), the Judge P. Kevin Castel imposed a fine of five thousand dollar on the attorney who has submitted 6 fabricated ChatGPT opinions like the Varghese v. China Southern Airlines.
2. United Kingdom: It depends on professional regulatory enforcement administered by Solicitors Regulation Authority (SRA) along with the Bar Council. The SRA's regulatory guidance states that the reliance on the technology is no excuse and the solicitors are individually liable for all the court submission. The submission of imaginary AI output shows the incompetency and also amount to contempt of court as held by the High Court in the case of R. (Ayinde) v. Haringey London Borough Council and Al-Haroun v. Qatar National Bank (2025).[25]

[24] Husch Blackwell, *Navigating the New Frontier: How Federal Courts Are Regulating Generative AI in Litigation*, Husch Blackwell (Apr. 28, 2026), https://www.huschblackwell.com/newsandinsights/navigating-the-new-frontier-how-federal-courts-are-regulating-generative-ai-in-litigation.

[25] *SRA cautions profession about safe and responsible use of AI in legal sector*, Solicitors Regulation Authority (Aug. 17, 2026), https://www.sra.org.uk/news/news/releases/responsible-use-ai/.

3. Colombia: The constitutional framework was estalished by the Constitutional Court of Columbia for regulating judicial use of AI in legal field in the judgement of T-343/24 (and Judgement T-323/24). The court held that the using of AI in judicial process is valid only when the main reasoning of the adjudication is under the control of the "Natural Judge" (juez natural). The AI can be used as an asssitance in the administrative data management but the delegation of resoning functions to AI is the violation of the due process of law and judicial autonomy as established by the Colombian framework.[26]

IV. CONSTITUTIONAL IMPERATIVES & THEORETICAL TENSIONS

A. Article 21 & Procedural Due Process: Arbitrariness In Adjudication

The fusion of unverified AI-generated results with the judicial decision-making process leads to not only being an technical defect but as the constitutional violation. The Supreme Court established in Maneka Gandhi v. Union of India that any method having impact on the personal liberty should be fair, just and reasonable as the fundamental right to life and personal liberty is guaranteed under Article 21 of the Constitution of India. Use of fabricated AI-generated case laws and information in the decision-making process leads to violation of due process as enshrined in Article 21.

The threat caused to judicial integrity due to the use of fabricated legal citations is highlighted by the Supreme Court in the case of Pooja Ramesh Singh v. Jammu and Kashmir Bank Limited. The court stated that the AI-created outputs or precedents in the court work as a covert toxin in the judicial system, thus depleting the essence of judicial decision. Since in common law system the principle of adhering to precedent is used, therefore the use of fabricated AI-generated precedents also act as a binding rule using the doctrine of stare decisis leading to corruption in the justice system, tainting of evidences and lastly declaration of the judgement as void.[27]

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[26] Beliña Annery Herrera-Tapias et al., *Algorithmic Discrimination and Explainable Artificial Intelligence in the Judiciary: A Case Study of the Constitutional Court of Colombia*, 257 Procedia Computer Science 1227–1232 (2025).

[27] Sonia Arora, *AI-Generated Authorities and the Integrity of Judicial Proceedings: Reconstructing the Lawyer's Duty of Verification in India*, 9 International Journal of Law Management & Humanities 1227–1232 (2026).

B. The Paradox of Speedy Justice: Systemic Delays and Institutional Waste

The case of Hussainara Khatoon v. State of Bihar highlights speedy trial and prompt settlement as an integral part of the Article 21 of the Constitution. Indian judicial system have recently adopted the digital automation like E-Courts Mission Mode Project (Phase III), SUPACE & SUVAS portal of Supreme Court, and the National Judicial Data Grid for speedy case management and legal research. The advancements are made to tackle the huge load of case pending i.e., more than 50 million cases pending in Indian courts.[28]

Automation was introduced to aid the speedy justice by accelerating the drafting and research but at present time because of the AI-generated fabricated precedents used in court proceeding leads to wastage of valuable time of the court. The judgement of Kishore Samrite v. State of U.P. held that the wastage of public valuable resources leads to delay in justice for bonafide litigants, attracting strict fine and other penalties.

Instead of aiding to speedy justice, the use of automated generated fabricated precedents lead to extension of procedural resets in courts and tribunals:[29]

1. In the case of Pooja Ramesh Singh, approx two-year of delay was caused when a corporate insolvency application was instituted under Section 7 of the Insolvency and Bankruptcy Code (IBC) in August 2024 but six false AI-generatedd precedents was induced by the internal staff of tribunal leading to setting aside of the orders and remand to start first hearing was ruled by the Supreme Court.
2. The Bengaluru Income Tax Appellate Tribunal invoked Section 254(2) of the Income Tax Act, 1961 in the case of Buckeye Trust v. PCIT to review its own order of ₹669 crore tax after the discovery of the fact that four false or fabricated ChatGPT generated precedents were used in the judgement.
3. In the judgement of KMG Wires Pvt. Ltd. v. National Faceless Assessment Centre, it was found in the later stage that the tax authorities relied on three AI-generated false precedents. Therefore, the Bombay High Court through Article 226 of the Constitution set aside the ₹27.91 crore tax assessment order and directed to start the fresh assessment.

[28] Vanshika Kapoor, *Hussainara Khatoon v. State of Bihar (1979) : case analysis - iPleaders*, IPleaders (Mar. 7, 2024), https://blog.ipleaders.in/hussainara-khatoon-v-state-of-bihar-1979-case-analysis/.

[29] Amrita Pradhan, *AI-Hallucinated Precedents And The Integrity Of Adjudication In India*, Legal 500 (Sept. 15, 2026), https://www.legal500.com/intelligence/india/litigation-mediation-arbitration/ai-hallucinated-precedents-and-the-integrity-of-adjudication-in-india.

C. Critical Evaluation of the "Zero Tolerance" Rule: Prevention vs. Conclusiveness

The apex court's judgement in Puja Ramesh Singh developed a total "Zero Tolerance" Rule, upholding that a ruling with even an "iota" of false or hallucinated AI content is void ab initio and should be automatically set aside, irrespective of whether hallucinated citation directly had any impact on the final result.[30]

While this stringent doctrine generates a strong deterrent alert, legal research unleashes important theoretical and practical stress:

1. Before the apex court's judgement, the High Court at Andhra Pradesh in Gummadi Usha Rani v. Sure Mallikarjuna Rao and the High Court at J&K and Ladakh in Woodland House School v. Shakeel Ahmad Malik backed a accountability based standard, upholding that an AI citation fault is dangerous only if the applicable foundational legal principle is wrong or wrongly applied to the facts. Critics point out that zero-tolerance rule handcuffs appellate discretion, binding the court to invalidate otherwise sustainable judgements due to unimportant faults.
2. In international cases like US federal courts using Rule 11 in Mata v. Avianca and UK courts in R. (Ayinde) v. Haringey Council – sanctions directly focus on penalizing the professional who erred via fines and bar referrals besides securing legally sound judgements. Whereas, India's void-ab-initio approach binds litigants to bear the expense of prolonged re-hearings, even when the faulty decision came from the internal tribunal research staff rather than the advocate's brief.
3. While securing judicial integrity is most important, setting aside orders then and there sacrifices the finality of adjudication. In Pooja Ramesh Singh, the financial creditor suffered a two-year procedural lag despite its advocate having never referenced the fake cases before the bench.

To mitigate these wants, legal researchers propose a graded remedial scale which implements stringent verification requirements while tuning legal solutions proportionally – safeguarding automatic setting aside for cases where faulty authorities materially structured the court's basic legal conclusion.

V. RESTRUCTURING JUDICIAL RESEARCH – A SOURCE GROUNDED REGULATORY FRAMEWORK

[30] *Zero-Tolerance For Using AI-Generated Precedents Without Verification: Supreme Court Sets Aside NCLT, NCLAT Orders Citing Fake Judgments*, (July 2, 2026), https://www.verdictum.in/supreme-court/pooja-ramesh-singh-v-jammu-and-kashmir-bank-ltd-2026-insc-668-ai-generated-precedents-1616998.

A. India's Emerging Normative Framework

India's legal ecosystem is actively transitioning from ad hoc judicial warnings toward a formal regulatory architecture designed to govern artificial intelligence in court proceedings. This normative shift is anchored by two foundational policy instruments issued at the highest judicial level: the Supreme Court Centre for Research and Planning White Paper on Artificial Intelligence and the Judiciary (November 2025) and the Supreme Court AI Committee's Draft Regulations for the Use of Artificial Intelligence in Courts (June 2026).[31]

The November 2025 White Paper recognized the immense efficiency gains offered by automation in managing India's heavy backlog of over fifty million pending cases. However, it cautioned that automated legal research tools must never erode independent human reasoning or compromise the confidentiality of judicial records. Building upon these principles, the Draft Regulations 2026 established a clear taxonomy of permitted and restricted AI deployments across the Supreme Court, High Courts, subordinate courts, and statutory tribunals. Permissible applications include administrative document management, machine translation, case workflow tracking, preliminary legal research, and citation verification. Conversely, core adjudicatory functions—such as evaluating witness credibility, assessing evidence, determining bail applications, and formulating final legal ratios—are strictly reserved for human judges.

A central feature of the Draft Regulations is Regulation 43(3), which introduces a mandatory AI disclosure requirement for court filings. Under this provision, whenever an advocate or litigant utilizes generative AI systems to prepare, research, or draft pleadings, applications, or evidentiary submissions, the AI-assisted character of the document must be formally declared to the court upon submission. This requirement shifts AI usage from an opaque practice to a transparent workflow. Furthermore, the Draft Regulations propose establishing dedicated institutional infrastructure, including court-level AI Committees, AI Secretariats, an Incident Register for recording algorithmic failures, and mandatory annual technical and ethical audits of deployed AI tools.

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Complementing these judicial initiatives are broader administrative guidelines, such as the India AI Governance Guidelines (2025), which articulate the principle of "accountability by design" across developers, deployers, and end-users. Sectoral regulations—including the Securities and Exchange Board of India (SEBI) Intermediaries Amendment Regulations 2025 and the Reserve Bank of India (RBI) Model Risk Management Guidance 2026—similarly

[31] Free Law, *Regulating Artificial Intelligence in the Indian Judiciary: From Institutional Experimentation to a National Framework*, Free Law (June 20, 2026), https://www.freelaw.in/legalarticles/Regulating-Artificial-Intelligence-in-the-Indian-Judiciary-From-Institutional-Experimentation-to-a-National-Framework.

establish that entities deploying automated decision-making models remain solely and non-delegable liable for any algorithmic outputs or hallucinations.

B. The Four Pillar Verification Framework

To operationalize the Supreme Court's zero-tolerance mandate in daily practice, legal workflows must move beyond vague "human-in-the-loop" concepts toward a structured, source-grounded verification framework.[32] This study proposes a four-pillar framework designed to integrate verification into every stage of legal research and judicial decision-making:

1. Generative AI language models function purely as statistical search and discovery mechanisms rather than authenticated legal authorities. While an AI tool may be deployed to summarize text, suggest search queries, or identify potential statutory themes, its output constitutes merely a research lead. An AI-generated citation or summary possesses zero independent evidentiary value and cannot be cited in a pleading or incorporated into a court order until independently confirmed.
2. Every legal precedent, statutory provision, or quoted paragraph generated by an AI model must be checked against an authorized, primary legal reporter before filing. Practitioners and judicial officers must verify case names, neutral citations, volume numbers, and page references using authenticated databases such as SCC Online, Manupatra, Indian Kanoon, or official law reports. Crucially, verification requires opening and reading the actual text of the judgment to confirm that the excerpted passage exists and supports the asserted legal proposition.
3. To ensure accountability, AI-assisted research should leave an auditable verification trail. This log records the specific AI tool deployed, the prompts entered, the outputs generated, the primary source checked, the identity of the verifying advocate or law clerk, and the timestamp of verification. Implementing auditable records creates an objective trail of due diligence, enabling courts and disciplinary bodies to distinguish between an honest research mistake and reckless, unverified submission.
4. While verification standards must remain uncompromising, legal remedies for non-compliance should be calibrated proportionally based on the materiality of the error. An unverified AI hallucination caught prior to judgment requires simple correction. An error that enters a judgment but has no impact on the substantive ratio justifies corrective review and modification rather than a full trial reset. However, where a

[32] UNESCO, *Global toolkit on AI and the rule of law for the judiciary* (2026).

fabricated precedent materially shapes the court's core legal conclusion—as occurred in the Pooja Ramesh Singh insolvency proceedings—the decision must be automatically set aside.

C. Institutional Capacity Building & Legal Education

The long-term prevention of legal hallucinations depends on building institutional technical literacy across both the bar and the bench. Because hallucinations stem from the statistical architecture of large language models—which predict probable word sequences rather than retrieving facts—disciplinary sanctions alone cannot eliminate errors rooted in technological unfamiliarity.[33]

A comprehensive institutional capacity-building strategy requires three core components:

1. The Bar Council of India (BCI) and the National Judicial Academy must integrate mandatory AI literacy modules into LL.B. curricula, Bar examinations, and continuing legal education programs. Training must focus on technical mechanics, prompt engineering, algorithmic bias, and operational verification workflows, equipping young advocates to recognize the structural limitations of probabilistic models.
2. Courts and law offices should transition away from open-source, general-purpose consumer chatbots (such as free-tier ChatGPT), which carry high hallucination rates. Instead, institutions must deploy professional, legal-specific platforms that utilize Retrieval-Augmented Generation (RAG). These specialized architectures ground their responses directly within curated, authenticated databases of Indian statutes and case law, significantly reducing hallucination risks.
3. Pursuant to the Supreme Court's directives in Pooja Ramesh Singh, the Bar Council of India is establishing specialized committees to enforce professional accountability for synthetic court submissions. By establishing clear procedural guidelines and graded penalties under Section 35 of the Advocates Act, 1961, the regulator reinforces that AI verification is an indispensable component of an advocate's statutory duty of candour

VI. CONCLUSION

[33] JD Morris et al., *The Hallucination Problem and the Architecture of Trust the Case for Legal-Specific Language Models in the Practice and on the Bench*, SSRN 1-106 (2026).

A. Synthesis Of Findings

This study demonstrates that AI hallucinations are not mere technical glitches or harmless clerical mistakes, but substantive epistemic errors that threaten the evidentiary foundation of adjudication and public trust in judicial institutions. While generative artificial intelligence platforms offer transformative capabilities to address severe case backlogs across Indian courts and tribunals, their underlying architecture—operating through statistical next-token prediction rather than deterministic database retrieval—renders legal hallucinations an inherent probability when deployed without source-grounding safeguards.

As unverified synthetic citations entered court pleadings and official orders across multiple jurisdictions, the Indian judiciary transitioned from initial warnings on fictional case law to a comprehensive regime of strict legal accountability. Through the landmark decision in Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd., the Supreme Court firmly established that presenting unverified AI-generated authorities constitutes professional misconduct for advocates under Section 35 of the Advocates Act, 1961, a serious institutional lapse for the bench, and renders any resulting judicial determination void in the eyes of the law.

B. Preserving Human Primacy and the "Natural Judge"

Basing judicial orders on fabricated precedents directly infringes upon procedural due process under Article 21 of the Constitution of India and compromises the constitutional guarantee of a fair trial. To resolve the systemic tension between the drive for technological efficiency and the demands of constitutional justice, the legal ecosystem must establish an operational, source-grounded verification framework rather than attempting an unworkable prohibition on modern research tools.

Anchored by the Supreme Court’s Draft Regulations for Use of Artificial Intelligence in Courts (2026) and global constitutional principles such as the "Natural Judge" doctrine, automated technologies must function strictly in an auxiliary capacity to discover and organize legal material, never as autonomous decision-makers. While zero tolerance must remain the unyielding standard for verification, institutional responses should incorporate a graded remedial scale that balances actor-specific professional discipline with primary-source cross-checking and auditable research logs. Ultimately, digital tools may augment judicial administration, but the ultimate authority, moral reasoning, and constitutional stewardship of justice must reside irrevocably with human judges and accountable legal professionals