

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS



Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed

www.ijlra.com

DISCLAIMER

No part of this publication may be reproduced, stored, transmitted, or distributed in any form or by any means, whether electronic, mechanical, photocopying, recording, or otherwise, without prior written permission of the Managing Editor of the *International Journal for Legal Research & Analysis (IJLRA)*.

The views, opinions, interpretations, and conclusions expressed in the articles published in this journal are solely those of the respective authors. They do not necessarily reflect the views of the Editorial Board, Editors, Reviewers, Advisors, or the Publisher of IJLRA.

Although every reasonable effort has been made to ensure the accuracy, authenticity, and proper citation of the content published in this journal, neither the Editorial Board nor IJLRA shall be held liable or responsible, in any manner whatsoever, for any loss, damage, or consequence arising from the use, reliance upon, or interpretation of the information contained in this publication.

The content published herein is intended solely for academic and informational purposes and shall not be construed as legal advice or professional opinion.

**Copyright © International Journal for Legal Research & Analysis.
All rights reserved.**

ABOUT US

The *International Journal for Legal Research & Analysis (IJLRA)* (ISSN: 2582-6433) is a peer-reviewed, academic, online journal published on a monthly basis. The journal aims to provide a comprehensive and interactive platform for the publication of original and high-quality legal research.

IJLRA publishes Short Articles, Long Articles, Research Papers, Case Comments, Book Reviews, Essays, and interdisciplinary studies in the field of law and allied disciplines. The journal seeks to promote critical analysis and informed discourse on contemporary legal, social, and policy issues.

The primary objective of IJLRA is to enhance academic engagement and scholarly dialogue among law students, researchers, academicians, legal professionals, and members of the Bar and Bench. The journal endeavours to establish itself as a credible and widely cited academic publication through the publication of original, well-researched, and analytically sound contributions.

IJLRA welcomes submissions from all branches of law, provided the work is original, unpublished, and submitted in accordance with the prescribed submission guidelines. All manuscripts are subject to a rigorous peer-review process to ensure academic quality, originality, and relevance.

Through its publications, the *International Journal for Legal Research & Analysis* aspires to contribute meaningfully to legal scholarship and the development of law as an instrument of justice and social progress.

PUBLICATION ETHICS, COPYRIGHT & AUTHOR RESPONSIBILITY STATEMENT

The *International Journal for Legal Research and Analysis (IJLRA)* is committed to upholding the highest standards of publication ethics and academic integrity. All manuscripts submitted to the journal must be original, unpublished, and free from plagiarism, data fabrication, falsification, or any form of unethical research or publication practice. Authors are solely responsible for the accuracy, originality, legality, and ethical compliance of their work and must ensure that all sources are properly cited and that necessary permissions for any third-party copyrighted material have been duly obtained prior to submission. Copyright in all published articles vests with IJLRA, unless otherwise expressly stated, and authors grant the journal the irrevocable right to publish, reproduce, distribute, and archive their work in print and electronic formats. The views and opinions expressed in the articles are those of the authors alone and do not reflect the views of the Editors, Editorial Board, Reviewers, or Publisher. IJLRA shall not be liable for any loss, damage, claim, or legal consequence arising from the use, reliance upon, or interpretation of the content published. By submitting a manuscript, the author(s) agree to fully indemnify and hold harmless the journal, its Editor-in-Chief, Editors, Editorial Board, Reviewers, Advisors, Publisher, and Management against any claims, liabilities, or legal proceedings arising out of plagiarism, copyright infringement, defamation, breach of confidentiality, or violation of third-party rights. The journal reserves the absolute right to reject, withdraw, retract, or remove any manuscript or published article in case of ethical or legal violations, without incurring any liability.

POOJA RAMESH SINGH V. JAMMU AND KASHMIR BANK LTD. & ANR. CIVIL APPEAL NO. 11950 OF 2025

AUTHORED BY - MITALI MISHRA

3rd year student of Bachelor of Law: LLB degree

Dayananad College of LAW.

Abstract:

Generative Artificial Intelligence (AI) in legal research and adjudication poses both transformative possibilities and unforeseen challenges in the administration of justice. The decision by the Supreme Court of India in “**Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. & Anr.**”¹, 2026 INSC 668, represents an important judicial response to mitigate the risk of "hallucinations" caused by AI in the legal field. In this case, the National Company Law Tribunal (NCLT) had based its judgment on fictitious and false judicial precedents in an insolvency case, and the National Company Law Appellate Tribunal (NCLAT) had overlooked the erroneous precedents. The Supreme Court of India quashed both judgments, observing that an order based on false materials is "no decision at all" and constitutes an abuse of the rule of law.

In this case commentary, important judgment from the following aspects: AI-assisted adjudication, judicial accountability, professional ethics, genuineness of legal precedent, and the rule of law. The "absolute control" of AI by the Court, with a human in the loop at all times, sets a foundation for technological responsibility in the justice system.

Further, the implications of the direction issued by the Court to the Bar Council of India to frame guidelines on the presentation of fake AI-generated authorities the judgment should not be understood as an anti-AI stance; rather, it is a framework of responsible AI-assisted justice where the efficiency of the technology is subject to human verification, judicial reasoning, professional ethics, and constitutional propriety. Ultimately, this case poses an important question for the future of legal technology: Is it possible for artificial intelligence to assist justice without undermining human responsibility underpinning the rule of law?

¹ Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. 2026 SCC OnLine SC 1258 [7].

Keywords: Generative AI, AI Hallucinations, Judicial Accountability, Rule of Law, Legal Ethics, Fake Legal Precedents; Legal Research, Constitutional Governance, Insolvency Law, Insolvency and Bankruptcy Code, 2016, NCLT, NCLAT.

Introduction:

The adoption of Artificial Intelligence (AI) in legal research and legal practice poses both exciting opportunities as well as dangers to the process of administration of justice. The Supreme Court of India has ruled on one of the key dangers inherent in the use of Generative AI in legal proceedings, in a landmark judgment in **Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd., 2026 INSC 668**.

The judgment is a landmark one as the National Company Law Tribunal (NCLT), in ruling on an insolvency matter, has made references to certain fabricated judgments and paragraphs of judgments. This has been affirmed by the National Company Law Appellate Tribunal (NCLAT). As a result, the Supreme Court has set aside the decisions by the two tribunals stating that an “illegal decision” cannot be upheld.

In doing so, the judgment is far reaching beyond just the insolvency matter at hand. It sets out an important judicial principle regarding the relationship between technology and human accountability in the process of making judicial decisions. However, it is clear from the judgment that the court’s concern is not about the proper use of technology in judicial decision-making.

Case Details:

Citation: 2026 INSC 668 | Civil Appeal No. 11950 of 2025

Court: Supreme Court of India

Bench: Justice Pamidighantam Sri Narasimha and Justice Alok Aradhe

Decided On: July 2, 2026

Relevant Statute: Insolvency and Bankruptcy Code, 2016, particularly Section 7.

Factual Background:

The appellant, Pooja Ramesh Singh, was a suspended director of Essel Infraprojects Ltd. (EIL), which was the corporate debtor as well as the corporate guarantor of Pan India Utilities Distribution Company Ltd. (PIUDCL).

PIUDCL took loan facilities from Jammu and Kashmir Bank Ltd. To secure those facilities,

EIL executed a corporate guarantee in favour of the bank. Subsequently, PIUDCL experienced financial difficulties and defaulted on its repayment obligations, resulting in the classification of its loan accounts as non-performing assets.

Respondent No.1 filed an application to Jammu and Kashmir Bank thereafter initiated proceedings under **Section 7 of the Insolvency and Bankruptcy Code, 2016**, seeking commencement of the Corporate Insolvency Resolution Process against EIL.

The NCLT, Mumbai Bench, admitted the Section 7 application on 28 August 2024 after finding the existence of debt and default. An Interim Resolution Professional was appointed and a moratorium was declared under Section 14 of the IBC.

The appellant challenged the decision before the NCLAT. Among other arguments, she contended that the corporate guarantee had been affected by subsequent corporate restructuring and that the renewed sanction arrangement did not preserve the guarantee.

The NCLAT dismissed the appeal on 11 September 2025. It relied, inter alia, upon several Supreme Court judgments referred to by the NCLT.

Before the Supreme Court, Senior Counsel for the appellant pointed out that the citations relied on by the NCLT, as reproduced by NCLAT, were fake and non-existent and appeared to be AI-generated. Even where a citation was genuine, the paragraphs extracted from it could not be traced to the actual judgment.

The AI-Hallucination Problem:

The core problem arose from the fact that counsel for the appellant brought to the notice of the Supreme Court that the sources referred to by the NCLT either did not exist or the paragraphs quoted from them were not available in the cited judgments.

The Supreme Court, after looking into the authorities, found that a few of them were indeed fake or incorrectly quoted.

Out of the six authorities referred to by the NCLT:

- one had a wrong citation and also a non-existent paragraph;
- two had the right citation but had non-existent paragraphs;
- three were themselves non-existent citations.

Hence the conclusion drawn was that the NCLT relied on material that never existed.

More importantly, the bank pointed out to the Supreme Court that counsel for the bank had not cited those authorities. They were found through the research conducted by the adjudicatory authority itself. Hence this was a unique case in the sense that it was not the matter of a counsel

citing false authorities but the adjudicatory body referring to material which it had got from its own research.

Issues Before the Supreme Court:

1. Whether the judgments of the NCLT and NCLAT, which relied on six AI-generated citations later found to be either wholly non-existent or attributed with non-existent paragraphs, can be sustained in law.
2. What directions are needed to prevent members of the Bar from citing or relying on AI-generated fake or hallucinated material as precedent, and what consequence follows for a decision tainted by such material.
3. Whether the use of such material compromises the integrity of the judicial decision-making process.
4. Whether the NCLT and NCLAT decisions should be set aside even where the underlying merits of the insolvency dispute had not been finally determined.
5. How should courts balance the legitimate use of AI with the requirement of human control over adjudication.

Legal Provision:

- Section 7 and Section 14 of the Insolvency and Bankruptcy Code, 2016 (IBC).
- Statutory Disciplinary Framework and Norms of Professional Conduct of the Bar Council of India.

Judgment of the Supreme Court:

The Supreme Court set aside the judgments and orders of NCLT and NCLAT, holding that a decision based on fake or hallucinated material is no decision in the eyes of the law. The Section 7 application was restored to its original number and remitted to the NCLT for fresh disposal on merits. The Court declared zero tolerance for the Bar and the Bench citing or relying on AI-hallucinated material as precedent without verification, and directed the Bar Council of India to constitute a committee to address the issue.

The Court's final conclusion was that any decision taken on the basis of either fake or hallucinatory information is "not a decision as far as the law is concerned." According to the Court, even when this information has only an indirect effect on the final decision, it vitiates the sanctity of judicial process.

In a notable passage, Justice P.S. Narasimha underscored the danger of AI-generated legal errors:

"Relying on AI-hallucinated precedents in judicial proceedings is like releasing methyl isocyanate into the province of law and justice."

This comparison emphasized that introducing false law into court records contaminates the legal ecosystem, threatening public trust and the principle of stare decisis.

The Supreme Court's Zero-Tolerance Approach:

The Supreme Court held that it is necessary for Courts to adopt a Zero Tolerance approach to producing, citing, or using AI-generated precedents without verification. It held that it is misconduct for an advocate to cite such material without verification, and equally a serious lapse for a judge to rely on it. It held that a decision is no decision in law if any fake or hallucinated material entered the decision making process, regardless of whether it had a direct or indirect bearing on the outcome, since this violates the sanctity of adjudication. The Court clarified that this ruling does not effect the legitimate use of AI, but only the presentation of fake or hallucinated material as if it were genuine precedent.

Aids to Judging and Not Replacing Judicial Reasoning with AI:

The judgment does not negate Artificial Intelligence. On the contrary, the Court explicitly acknowledged the potential of AI in helping professionals perform routine as well as intellectual tasks.

The issue lies when AI goes from being a support tool to becoming a replacement of human thought processes.

As the Court notes, what distinguishes AI from previous innovations is that it has the potential to become a replacement for human thought process.

This is key to distinguishing permissible use from impermissible use of AI.

Permissible use:

Research → Identification of relevant precedents → Summary → Organisational help → Human verification → Legal reasoning.

Impermissible use:

Output of AI → Without verification → Treated as precedent → Used in judicial reasoning → Decision.

The judgment hence sets out the principle of human-in-the-loop judging.

Rule of Law and Judicial Legitimacy:

The Supreme Court held that judicial process and the judgment under challenge stood tainted by material presented as precedent, which in reality was unreal and did not exist. It held that a decision based on such fake and hallucinated material is no decision at all, and amounts to a subversion of the rule of law. It held that such a decision is Unsustainable and must be set aside at earliest opportunity.

Direction to Bar Council of India:

The Supreme Court held that a mere declaration of prohibition is not enough without accountability. It directed the Bar Council of India, as the apex statutory body, to constitute a committee. This committee is to deliberate on advocates submitting fake or hallucinated material as precedent and prescribing guiding principles and disciplinary consequences for such conduct.

Impact on the Legal Profession:

This ruling has far-reaching ramifications for advocates, legal researchers, and law students.

On Advocates

The duty of a professional lawyer to check authorities takes on an added importance in the age of generative AI technology. The lawyers cannot depend on the confidence level of sophistication of the response generated by AI technology.

On Legal Researchers

An AI-generated citation is, thus, a potential lead in research, but not necessarily a legal authority. It is imperative for a legal professional to do some independent checking before citing any authority.

These checks would include:

- Does the case exist?
- The proper title of the case;
- The citation;
- The court and year of judgment;
- The relevant paragraph;
- Does the passage really occur in the judgment?
- Has this judgment been overruled, distinguished or modified?; and
- Does the judgment support the proposition attributed to it?

- Thus, the Supreme Court has made the duty to verify authorities from a mere research technique to one of professional responsibility.

Critical Analysis:

There are several points that make the position of the Supreme Court convincing.

First, the Court rightly differentiates between AI-assisted legal research and AI-based judicial decision-making. It is unrealistic to ban any AI technologies used for such purposes. The use of AI-assisted research, document analysis and information retrieval can be extremely useful for the legal profession.

Second, the Court is right in placing the final responsibility on human beings. Technology cannot take any professional or judicial responsibility in the way people can do it. Thus, the one who uses the technology should be responsible for its results.

Third, the Court's position preserves the integrity of the doctrine of precedent. The legal doctrine of precedent is based on the fact that legal propositions can be linked to certain decisions. AI hallucinations are directly opposed to such principle by creating fictional precedents.

Fourth, the decision protects judicial legitimacy. Authority of the court is not only about its status but also its reliability.

Need for Institutional AI Governance:

The judgment shows the need for an effective framework to regulate the use of AI in Indian courts and tribunals.

A possible framework may include:

1. Verification protocol:

All AI-generated authority must be independently verified using an authoritative database.

2. Human-in-the-loop:

No AI system shall possess independent authority to make legal conclusions or judicial decisions.

3. Citation verification technologies:

Courts can adopt technological means by which it can be determined whether the judgments and paragraphs referred to actually exist.

4. AI disclosure protocol:

Disclosure of appropriate information may be necessary where the assistance of AI is used in legal research and drafting.

5. Professional ethics norms:

The Bar Council of India needs to evolve some ethical standards for the use of generative AI.

6. Judicial education:

Judges and members of the tribunals shall be educated about AI hallucination, verification process, and limitations of large language models.

7. Accountability regime:

AI regulation must distinguish between fraud, negligence, and technical glitch.

Conclusion:

The case of Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. marks a key milestone in the development of jurisprudence in India concerning Artificial Intelligence and law. This case shows that the major threat that generative AI poses to legal systems is probably not its ability to substitute for lawyers or judges, but its ability to create false information which looks convincing.

For this reason, the Supreme Court's approach to AI technology in this case is focused on verification, accountability and human control. Through deciding that a decision based on the information generated by generative AI is no decision at all, the Court prioritized the integrity of adjudication over technological ease of use.

It should be noted, however, that the judgment should not be perceived as a refusal to use AI technology. Rather, the Court has established a principle of responsible justice with the use of AI: the technology can aid the legal mind but cannot take away from the legal mind the responsibility for verifying and reasoning.

Thus, in the algorithmic age of legal research, the principle remains simple.