

AI HALLUCINATION AND ITS EFFECT ON LEGAL SYSTEM

by

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Abstract

This research paper tells about the Hallucination and its devastating effects on the legal system for the lawyers and the course. Delving into patterns used by Ai for doing this and will delve into the initiatives used by the supreme court like NJDG and SUPACE and the problems related to it. Highlighting the very recent and important judgement of Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. & Anr. (2026 INSC 668) And some other related supreme court and high court judgements and the principles laid down in these judgements with the comparative analysis with other countries like USA, UK and Highlighting there important cases. Moving forward to giving the solution of this AI hallucination and delving into the future of this AI hallucination with the help of data and relevant case laws from India and other countries.

Keywords: AI Hallucination, Legal System, Case laws, patterns, solutions.

INTRODUCTION

Large language models, such as Chatgpt, operate by using complex mathematical equations to predict the next word rather than retrieving facts. Simply put, AI hallucinates because it is

constantly making guesses. When prompting an AI tool, the generated response may appear plausible, but it is not necessarily the truth. So, if you ask an AI tool about a legal problem, the tool does not consult a legal database; instead, it predicts text that appears to be real based on information in its training data. AI tools are not yet smart enough to say, "I don't know". If a concept is not in its training data, the AI will generate a plausible-sounding answer instead of stating that it does not know. Even when a user is wrong, the AI will affirm the user's false thesis. In Al-Haroun, the claimant asked an AI tool for legal references, and the tool invented the references because no existing cases supported his argument¹

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WHAT IS AI HALLUCINATION?

In the legal system the recent development of large language models in the arena of research and legal writing. These tools act as both pros and cons as the unpredicted opportunity with significant challenges they promise to perform even difficult tasks but the performance of that task is often hindered by a critical flaw. These problem of critical flaws while giving an important information is to be known as AI hallucinations. These systems like CHATGPT, Gemini may produce responses that appear correct and very much in pattern that people believes it to be true without proper verification. This phenomena is known as AI hallucination. In the legal profession AI hallucinations are dangerous as they produce fictitious precedents, fabricated judicial observations or misleading interpretations of statutory provisions. Since legal arguments used in the courtrooms, moot court competitions, Research papers heavily depends upon these systems expecting accurate authorities and precedents but when these systems make minor inaccuracies it significantly effects the judicial outcomes. Artificial Intelligence systems do not reason in the manner human beings do generative AI models operate by identifying statistical patterns from massive data bases.

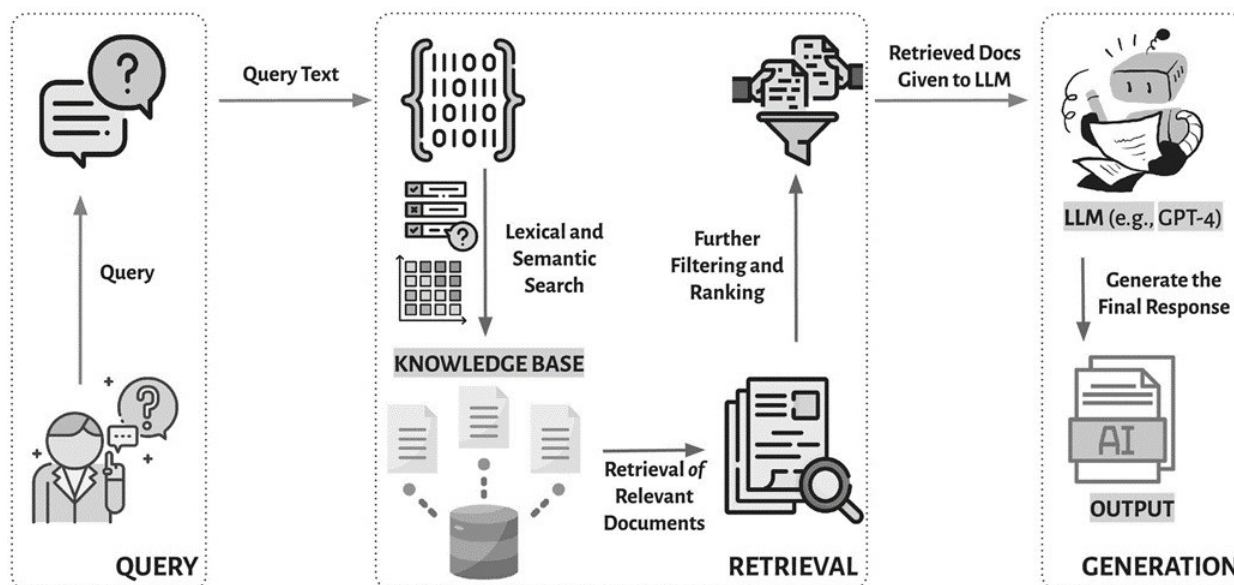
¹ <https://law.stanford.edu/publications/hallucination-free-assessing-the-reliability-of-leading-ai-legal-research-tools>

WHAT ARE COMMON PATTERNS USED BY AI

- STARE DECISIS -The court approves the system known as stare decisis *Latin* meaning is the foundational legal doctrine which instruct court to use the precedents used in earlier cases and basically this same approach is used by artificial intelligence as stare decisis only functions if the precedents being relied upon which actually exists and say what is meant to say but AI used fabricated cases which even didn't exist corrupting mechanism of stare decisis
- NEXT TOKEN PREDICTION – This is the pattern on which AI often cite wrong cases and wrong citations this model uses one token (roughly a word or word fragment) at a time calculating the probability of what next word should be based on everything generated till now and this way It generates token by token a series which feels to be real and grammatically correct with citations case years relevancy that it is so near reality that it often feels real the model was not doing it deliberately but it is predicting a similar pattern than before that would look like thousands of citations and cases it have already seen.
- STOCASHASTIC PARROTING –this is academic term (coined by Emily Bender and colleagues in their well-known 2021 papers 'on the dangers of Stochastic Parrots. That describes exactly how next token prediction produces hallucination. This is Pattern and probability based text generator means the process involves randomness at each step rather than looking up to the facts. the model sounds to be helpful and real but not truthfulness, In legal writing is highly formulaic phrases like the court held that and citations formats follow rigid repeated structures. This makes artificial intelligence usage more dangerous where the form of citation is actually right but the substance the real judgement used in it is wrong.²

These patterns effect the lawyers and law students at a very large scale it effects many cases to be dismissed and also leads to strict guidelines by the supreme court regarding hallucinations.

² Patrick Lewis et al., Retrieval-Augmented Generation for Knowledge-Intensive NLP Tasks (2020), <https://arxiv.org/abs/2005.11401>.



Schematic diagram of a retrieval-augmented generation (RAG) system. Given a user query (left), the typical process consists of two steps: (1) Retrieval (Middle), where the query is embedded with natural language processing and a retrieval system takes embedding and retrieves the relevant documents (e.g., Supreme Court cases); and (2) Generation (Right), where the retrieved texts are fed to the language model to generate the response to the user query. Any of the subsidiary steps may introduce errors and hallucinations into the generated response. (Icons are credited to Flat Icon)⁴

Common initiatives followed by supreme court regarding AI hallucinations are National Judicial Data Grid (NJDG), which is a large public database that tracks millions of cases in real time across the country. It helps identify delays and improve the use of judicial resources. To further improve efficiency, the Supreme Court of India has created a special AI committee to study how technology can assist judicial work. Two other important tools are **SUPACE** (Supreme Court Portal for Assistance in Court Efficiency) is an AI based legal research assistance tool developed to help judges and court staff analyses legal information efficiently. **SUVAS** (Supreme Court Vidhik Anuvaad Software) is a machine learning tool that translates legal documents and judgments from English into regional Indian languages, making the law more accessible to people. Moreover, the development of legal databases like manupatra, SSC online, Lexis India also helps to solve the problem of AI hallucinations. The first one is the

³ <https://www.bailii.org/ew/cases/EWHC/Comm/2025/1588.html>

⁴ Emily M. Bender et al., On the Dangers of Stochastic Parrots: Can Language Models Be Too Big?, in Proceedings of the 2021 ACM Conference on Fairness, Accountability, and Transparency 610 (2021), <https://doi.org/10.1145/3442188.3445922>.

development of E-courts mission more project which evolved towards paperless court virtual hearings and adoption of new technology like AI. It took three initiatives under its umbrella. **NJDG** which is the backbone of the judicial system. It tracks the stages status of High Courts and Supreme Courts which provides structured database on which AI applications can rely. T On April 6th 2021, then Chief Justice of India S.A. Bobde introduced the Supreme Court Portal for Assistance in Court's Efficiency (SUPACE) **SUPACE** (Supreme Court Portal For Assistance In Court Efficiency) . It is an artificial intelligence committee started by Supreme Court in 2019 which help AI to be use in judicial system efficiently . It provides the help of translation of judicial documents, legal research assistance and product auto-mission. **SUVAS** (Supreme Court Vidhik Anuvaad Software) launched in 2019. It is a machine-learning-based translation system that converts judicial documents and judgments between English and eighteen scheduled Indian regional languages, including Hindi, Tamil, Bengali, Gujarati, Marathi, and Punjabi, among others. By 2023, SUVAS had been used to translate over 31,000 of the Supreme Court's approximately 36,000 reported judgments into scheduled languages, and several High Courts, including those of Kerala, Gujarat, and Karnataka, have since adopted similar translation infrastructure for their own judgments.⁵

These systems demonstrate that the Indian Judiciary is difficulty with AI hallucination is not towards any hostility but the main problem is proper verification, discipline and controlled institutional sources. These launching installments of these systems show that Supreme Court just want the use of artificial intelligence to be in more carefull, precise and verified manner.

RECENT JUDGEMENTS ON AI HALLUCINATION:

In the case of Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. & Anr. (2026 INSC 668⁶) the Supreme Court on 2 July,2026 set asides the order of NCLT and NCALT who have admitted the proceedings of insolvency under sec 7 of IBC as a corporate guarantor after finding that six of the case citations relied upon by the tribunals were either wholly fabricated or have paragraphs which never truly existed.

The court laid down a zero tolerance rule holding that even a fake material randors the decisions as no decision in the eyes of the law hence it set aside the decision of the High Court. As in the first rule Supreme Court confront AI and said that AI remains a legitimate tool

⁵ <https://njdg.ecourts.gov.in/>

⁶ Pooja Ramesh Singh v. Jammu & Kashmir Bank Ltd., 2026 INSC 668 (India). <https://indiankanoon.org/doc/113338666/>

for research precedent retrieval and citation verification but at the last the ultimate burden on the human only. The Supreme Court suggest to convert AI hallucination into formal enforceable standard of professional and adjudicatory accountability, later applied in the case of Vijay Ghanshyam Gadiya v. Union of India (2026 INSC 947).

Vijay Ghanshyam Gadiya v. Union of India (2026 INSC 947) ⁷the court held that *"The use of AI in this case, resulting in reliance placed by the second respondent [Customs] on material which is dubious, proves fatal to the sustainability of the order imposing penalty on the appellant. Such circumstances compel us to interfere and remand the case."*

The bench relied upon zero tolerance policy it had laid down in Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. & Anr. (2026 INSC 668) that a decision is "no decision in the eyes of the law" if even an "iota of fake or hallucinated material" enters the decision-making process, irrespective of whether it had a direct or indirect bearing on the outcome, because it "would violate the sanctity of adjudication."

It reaffirmed that this zero-tolerance standard applies equally to the Bar and the Bench — and, by extension in this case, to quasi-judicial/adjudicating authorities exercising statutory powers (here, a Customs officer), not just to courts and tribunals.

Significance:

This case is important because it extended the Pooja Ramesh Singh zero-tolerance doctrine beyond judicial/tribunal orders into executive/administrative adjudication showing that AI hallucination jurisprudence in India is not confined to courts alone but now governs any authority exercising quasi-judicial power (Customs, tax, GST, etc.). It also shows the doctrine being applied within just two months of Pooja Ramesh Singh, confirming it as binding, operative precedent rather than a one-off observation and it involved one of the highest monetary stakes (₹425+ crore) of any AI hallucination case in India to date.

CASE LAWS:

- **DALIP KUMAR V. STATE OF U.P. 2010**⁸ the Supreme Court stated that the guiding stars of judicial process must be true and here. The guiding stars are the precedents and the case laws used by the lawyers and the law students in the courtroom but when the citations and the research is corrupted by the AI listing the case that does not exist with

⁷ Vijay Ghanshyam Gadiya v. Union of India, 2026 INSC 947, (India 2026).

⁸ Dalip Singh v. State of U.P., (2010) 2 SCC 114 (India).

fake citations hallucinate the mind of the lawyers and using these cases leads to professional misconducts and unfavourable outcomes.

- **DP CHADHA V. TRIYOGI NARIAN MISHRA 2000**⁹ the Supreme Court set a strict standard for professional conduct by punishing a lawyer who used blank signed paper to create a false compromised petition and in this case these blank signed papers are same as the AI as AI fabricated case laws without any good foundation
- **JEETMAL CHORARIA V.UOI**¹⁰ – the court strongly cautioned the department that citing AI generated precedents is breach of departments own responsibility

These are some of the main principles laid down in these cases as follows

- **No "harmless error" doctrine:** Whether it is a tribunal, a tax authority, or a trial court, reliance on fabricated citations is, by itself, an independent ground for recalling, quashing, or invalidating an order (Buckeye Trust, KMG Wires).
- **The duty to verify falls on everyone:** Using an AI tool is "welcome" (as noted in the Bahry case), but the responsibility to verify lies with the advocate, the party, and the adjudicating authority alike. This duty applies equally to judicial officers and to advocates (Jeetmal Choraria, Gummati).
- **Consequences escalate with the level of authority:** When AI hallucination originates from a self-represented litigant, costs are imposed (Bahry); when it comes from a tax authority, the order is quashed (KMG Wires); when it comes from a Trial Court Judge, the Supreme Court uses the term "misconduct" and initiates an institutional inquiry (Gummati) — indicating that the judiciary expects the highest accountability from within its own ranks.

HOW THE PROBLEM OF AI HALLUCINATION EFFECT THE LAW FIELD

These AI systems are trained on 17 global data and may not fully understand the specific details of Indian law. When they do not have enough information, they may create fake case names, incorrect legal interpretations, or misleading summaries. Unlike traditional databases, these tools focus on producing smooth and natural language rather than ensuring complete accuracy .As every new technology have pros and cons, Artificial Intelligence though help lawyers and law students gain better efficiency and achievements then also these efficiency seems to be

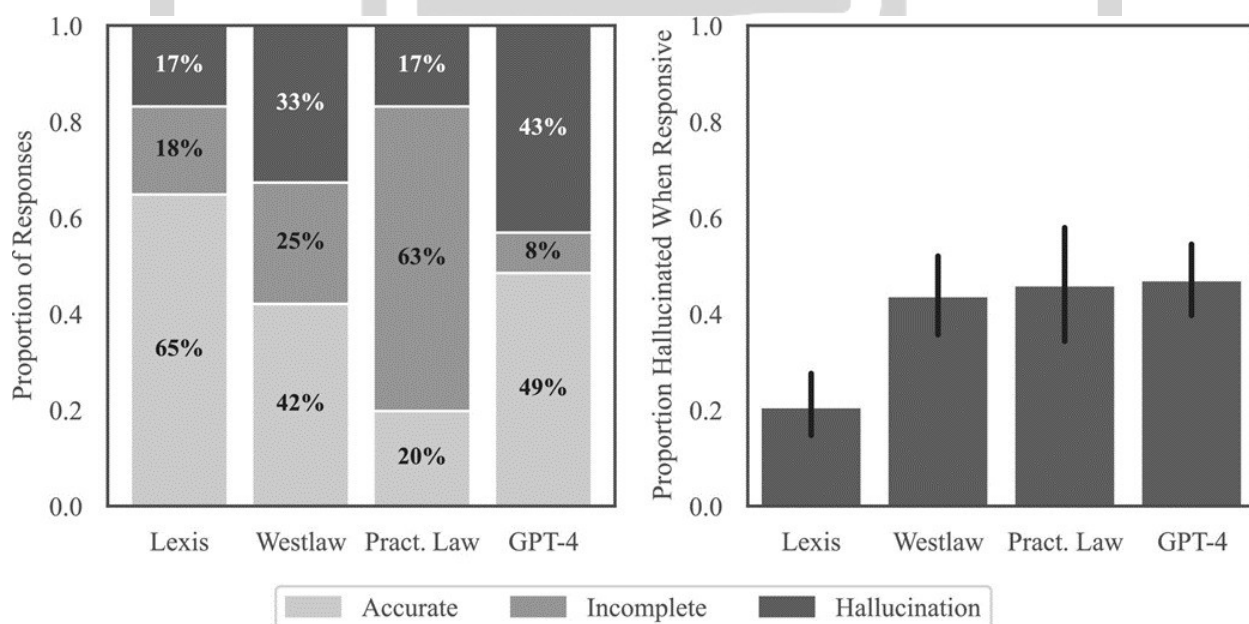
⁹ D.P. Chadha v. Triyugi Narain Mishra, (2001) 2 SCC 221 (India).

¹⁰ Jeetmal Choraria v. Assistant Commissioner of Income Tax, ITA No. 956/Kol/2016 (ITAT Kolkata Dec. 1, 2017).

illusionary as the AI often combines real judge names with real court names but describes a case that never actually happened. Lawyers are always under pressure to bill hours and meet deadlines. Because of this, they may use AI to quickly summarize complex legal cases or draft legal documents. This creates what can be called “efficiency trap”, where the need to save time leads to “verification gap”, meaning proper human checking is ignored. This legal system depends heavily on past court decisions, known as ‘stare decisis’ where courts follow earlier rulings.

If a fake case is mentioned in a legal document and the opposing lawyer or even the judge’s assistant does not verify it, that false case might end up being used in an actual court decision. This can make the legal record inaccurate and harmful. Moreover if the advocate use these citations and the case laws given by Artificial Intelligence and present these in the court often judges catch these type of loopholes and this will lead to serious contempt of court and even loss of the party the lawyer is presenting . Lawyers use them to draft documents, summarise large amounts of information, and generate legal ideas. While these tools are fast and helpful, they also carry serious risks.

These are some of the AI that use fake citations and case law like Lexis Westlaw pract.law GPT 4 and how much in their responses there is scope of hallucination



Moreover in Universities and Colleges also the students who are participating in moot courts or the competitions that need the case laws the students due to inexperience and for saving the time use the cases given by Artificial Intelligence and these led to even loss in the competition .There

have also been concerns regarding petitions prepared using automated tools that contained exaggerated or unsupported factual claims. Such practices create difficulties not only for judges but also for opposing parties who must spend additional time verifying whether the legal material relied upon is genuine. This increases procedural delays and places unnecessary pressure on an already burdened judicial system.

Unlike certain jurisdictions in the United States, where courts in regions such as Texas, New York, and the Northern District of California have introduced disclosure requirements regarding the assisted filings, India currently lacks a specific framework governing the use of AI in litigation. This absence of regulation creates uncertainty regarding accountability and professional responsibility. Hence there is need to have more professional and ethical tools of artificial intelligence and to have reforms in the current systems of artificial intelligence.

COMPARATIVE ANALYSIS BETWEEN THE COUNTRIES

The United States there was the origin of the Global conversation regarding AI Hallucination. The American model is active as well as rapid its strength is to react to a consequence very rapidly.

UNITED STATES

In According to them a sanctioned lawyer and a published opinion give more base to a particular argument than a consultative rule making process but as same as in India the main weakness is fragmentations of the case laws obligations vary from judge to judge creating complying uncertainty for multi forum practitioners. The model regulates the filing not the practice.

The very important case in this context is **Mata v. Avianca**.¹¹ In this case, lawyers used ChatGPT to prepare legal research and submitted a brief containing several case citations that appeared genuine. However when the court examined the authorities, it discovered that many of the cited judgments did not actually exist. The system had created imaginary case names, fake quotations and fabricated legal principles. The lawyers initially relied on AI generated material without proper verification and submitted before the court. When questioned by the judge, the lawyers admitted that they had used ChatGPT and were unaware that the cases were fabricated. The court treated the matter very seriously because false citations directly affect the integrity of judicial proceedings. The lawyers were sanctioned and fined for misleading the court.

¹¹ Mata v. Avianca, Inc., 678 F. Supp. 3d 443 (S.D.N.Y. 2023). <https://law.justia.com/cases/federal/district-courts/new-york/nysdce/1:2022cv01461/575368/54/>

Moreover, in the case of *Park v. Kim*, 91 F.4th 610 (2d Cir. 2024)¹² attorney Jae S. Lee, representing plaintiff Minhye Park in a medical malpractice appeal against David Dennis Kim, cited a non-existent state appellate decision in her reply brief. When the panel asked her to produce the cited authority, she admitted she had generated it using ChatGPT. The Second Circuit held she'd failed to satisfy Federal Rule of Appellate Procedure 11's reasonable-inquiry requirement, and — rather than a monetary fine — referred her to the court's Grievance Panel under Local Rule 46.2 for possible discipline. The court's key line: **"the duties imposed by Rule 11 require that attorneys read and thereby confirm the existence and validity of the legal authorities on which they rely."** This case further strengthens the concern regarding AI's legal misinformation due to the misinformation given by AI, the judges and lawyers have to research more on whether this case actually exist. So after this incidents United States begin introducing formal disclosure related to AI use. Some courts now require lawyers to certify that either no generative AI was used in the preparing filings or that all AI generated content has been independently have been verified by a lawyer. This disclosure intend to reduce carelessness dependent on AI system. Moreover, the American Bar Association responded formally on 29 July 2024, issuing Formal Opinion 512 on Generative Artificial Intelligence Tools,[14] affirming that the duty of competence under Model Rule 1.1 requires lawyers to understand the limitations of AI tools they deploy, and that the duty of candour under Model Rule 3.3 is violated where AI-generated research outputs are submitted without adequate verification.[15] This normative framework, grounding AI verification obligations in pre-existing professional responsibility rules rather than bespoke legislation, represents one approach to governance. Its limitation, as this paper argues, is that it depends on voluntary compliance and ex post disciplinary enforcement rather than ex ante structural safeguards.¹³

UNITED KINGDOM

United Kingdom has developed its response through a sequence of Judicial System of escalating gravity. *Felicity Harber v The Commissioners for HMRC* [2023] UKFTT 1007 (TC¹⁴), the Appellant appealed a tax penalty issued by His Majesty's Revenue and Customs (HMRC) for

¹² *Park v. Kim*, 91 F.4th 610 (2d Cir. 2024)

¹³ ABA Comm. on Ethics & Pro. Resp., Formal Op. 512, Generative Artificial Intelligence Tools (2024), https://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/ethics-opinions/aba-formal-opinion-512.pdf.

¹⁴ *Harber v. Commissioners for His Majesty's Revenue & Customs*, [2023] UKFTT 1007 (TC) (U.K.). <https://www.bailii.org/cgi-bin/format.cgi?doc=%2Fuk%2Fcases%2FUKFTT%2FTC%2F2023%2FTC09010.html>

failure to notify HMRC of a capital gains tax liability following a property disposal. In doing so, the Appellant (who was a litigant in person) relied upon nine decisions, none of which were genuine cases – they were in fact fictitious cases generated by AI.

The Tribunal dismissed the appeal and held that the Appellant was required to pay the penalty on the basis that she did not have a reasonable excuse for failing to notify HMRC about her capital gain liability. In coming to its decision, the Tribunal made observations about the reliance on fabricated cases generated by AI.

The court viewed in this case that we acknowledge that providing fictitious cases in reasonable excuse tax appeals is likely to have less impact on the outcome than in many other types of litigation, both because the law on reasonable excuse is well-settled, and because the task of a Tribunal is to consider how that law applies to the particular facts of each appellant's case. But that does not mean that citing invented judgments is harmless. It causes the Tribunal and HMRC to waste time and public money, and this reduces the resources available to progress the cases of other court users who are waiting for their appeals to be determined. As Judge Kastel said, the practice also "promotes cynicism" about judicial precedents, and this is important, because the use of precedent is "a cornerstone of our legal system" and "an indispensable foundation upon which to decide what is the law and its application to individual cases", as Lord Bingham's said in *Kay v LB of Lambeth* [2006] UKHL 10 at [42].¹⁵ Although FTT judgments are not binding on other Tribunals, they nevertheless "constitute persuasive authorities which would be expected to be followed" by later Tribunals considering similar fact patterns, see *Ardmore Construction Limited v HMRC* [2014] UKFTT 453

WAY FORWARD AND FUTURE STRATEGIES

- Hybrid systems- Merging neutral AI with verified knowledge basis or logic modules is a promising for example an Ai might draft an answer then verify it against trusted sources before output such designs can sharpen reduce untrue responses.
- Training Improvements and Standards- New training methods aim to reward factual accuracy and penalize mistakes, while continuous feedback helps models learn from errors meanwhile governments are moving towards stricter accuracy and transparency standards. Critical application may soon require reliability certification and clear liability for AI errors would press companies to test systems regressively.

¹⁵ *Kay v. London Borough of Lambeth*, [2006] UKHL 10, [2006] 2 A.C. 465 (U.K.).

- Human oversight and literacy – For now keeping a human being in a loop for high stake is prudent. AI can draft or analyse but human experts should review before final decisions. Also educating users about AI limitations will encourage them to verify important information rather than trust AI blindly

Some of the data collected over time is as follows

- : Claude Fable 5 - index 43 on AA-Omniscience (August 2026 board, re-scored from 40 at launch), ten points clear of Gemini 3.1 Pro (33). The lead is driven by record 65% accuracy, not low hallucination - Fable 5 fabricates 63.6% of the time when it answers and doesn't know.
- Claude Opus 5 - index 37, 61% accuracy, 60.8% hallucination (July 2026). Second on the board, and the first Opus that answers rather than refuses.
- : Claude 4.1 Opus - 0% on AA-Omniscience in the November 2025 launch snapshot (model declines to answer when uncertain). On the current board the lowest raw rate is MiniCPM5-1B at 1%, a 1B-parameter model that refuses most questions.
- : Command A+ (Cohere) - 14% on AA-Omniscience, achieved by refusing most questions it can't verify (9% accuracy). Qwen3.7 Max takes the same abstention-first approach at 23%. GLM-5.3 (29.6%) is the newest entry in that group.
- DeepSeek V4 Flash - 96% on AA-Omniscience, high coding capability paired with near-total overconfidence (April 2026). Among flagships, GPT-5.6 Sol at 92.2% (August 2026).
- Web search access - reduces hallucination 73-86% when enabled (OpenAI FActScore evaluations of its own models)
- Perplexity Sonar Pro - 37% hallucination on CJR (lowest, but still high)
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¹⁶ <https://artificialanalysis.ai/evaluations/omniscience>

SOLUTIONS FOR THE PROBLEM OF AI HALLUCINATION :

- Transparency in all legal documents: An overt declaration of the use of AI by lawyers in their documentation and in court documents (by courts) will go a long way in reducing submission of documentation containing hallucinated outputs. Such an overt declaration puts the adversary (and all parties) on alert and drive them to scrutinize better. In part, this transparency requirement already finds place in Supreme Court (SC) White Paper disclosure requirement within the guideline. However, its applicability should also be extended to all pleadings filed before the courts. A declaration should be submitted by lawyers disclosing the use of AI and the purposes for which it has been used like drafting plaint, petition, research for citations for arguments, etc.¹⁷
- Restricted use of AI for administrative work: The use of AI must be strictly restricted to administrative work of court. Any activity that involves decision-making even on the part of the court staff should not involve engaging AI in the process (decision to number a petition or application). This will ensure that all judicial or activities that require decision-making will stay shielded away from AI reducing the possibility of miscarriage of justice. The permissible uses¹² in the draft guidelines does list the use cases for implementing AI.
- Proper training for court staff on AI: The guideline does mandate training to the court staff that use AI systems. Training should be a repetitive exercise and just not be one - time activity to ensure that the staff is reminded time and again of the risks in using AI. A technical support person should also remain in site always to guide the initiates before they are comfortable with the use of new technology. When the staff is getting trained, AI system should be treated on par with a new software or an application and assumed that it will take a while for them to get familiarized and comfortable with the system. While the court staff is getting trained, similar initiative should be launched by Bar Councils for the lawyers in the form of workshops or online training sessions to educate them on the ways of usage and risks of over reliance on AI systems. Such a two-pronged training approach will address upstream and downstream actors will enable to stay alert and identify hallucinations by humans. To keep the staff alert, gamifying¹³ the identification of mistakes within court system will be an innovative way to approach this issue.

¹⁷ <https://www.livelaw.in/articles/regulating-artificial-intelligence-indian-judiciary-537485>

- Human-in-loop: The draft regulation imposes a human-in-loop requirement. This enables cross-verification of every significant action that AI system performs. This is a significant step in the process of deploying AI in courts. The guideline also suggests the Bar Council of India to come up with guidelines for the “Responsible Use of AI for Lawyers”. This mechanism will be effective only if the training is good enough to equip the staff with required skills.
- Imposition of heavy costs on lawyers — Repeated submissions of hallucinated judgments by lawyers or multiple occasions of non-disclosure of use of AI in their documented submitted before courts should attract imposition of heavy costs. Initiating disciplinary action will not be an effective way to address this issue because there may be cases of inadvertent mistakes. As the usage of AI is rampant, disciplinary action would also increase the burden on Bar Councils and the court. Establishing a legal basis for the act of initiating disciplinary proceeding will also require some kind of amendment in Advocate Act, 1961 or Bar Council of India Rules, 1975. Easier way to deal would be to leverage the existing laws and impose heavy fines. However, heavy costs are a good deterrent as lawyers regularly slapped with costs will lose their clients trust.
- Internal disciplinary action against Judge: Similar to the possibility of lawyers presenting hallucinated judgments/citations in their documentation, the Judges who rely on AI as for legal research support can also end up with such judgments. Such use cases of AI will fall outside the scope of prohibited usage of AI but will still have similar inherent risks. Repeated instances of relying on such judgments reflects on the Judge’s inability to act independently due to over reliance on such technology. Unless some internal disciplinary mechanism¹⁸

CONCLUSION

AI hallucinations is difficult to be eliminated because large models predict plausible text rather than verified truth. So the goal is to focus on managing the risk not remove it the problem is already real fake AI generated citations have reached the courts and the Supreme Court called for zero tolerance and treated that the cases with unverified judgements taken from AI as advocates misconduct the most effective response in this context is layered technical safeguards such as

¹⁸ <https://www.scconline.com/blog/post/2026/07/21/hallucinations-and-misuse-of-ai-in-courts-regulations-for-use-of-artificial-intelligence-in-courts-2026/>

retrieval and augmented generation. Together these all points go towards one thing that AI is just the sidelined assistant for helping but it should not be treated as full and final and hence it's the duty of the people to do the final verification.

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