
THE LIMITS TO DELEGATION: ANALYZING POOJA RAMESH SINGH VS JAMMU AND KASHMIR BANK LTD

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Can a constitutional function be performed correctly and yet not performed at all? which is to say can the sovereign power of the adjudication be delegated to someone else? Indian law, in all possible manner, has answered yes. Our country follows common law system. The architecture of the system assumes that rendering justice is naturally a human endeavor. A minister or a judge deciding on a dispute without personally hearing it may reach factually correct result, but the inadequate deliberation will itself nullify the basis of decision. The constitution not only cares about the outcomes, it cares about human insight which demands conscious intellect which is capable of moral, equitable and logical discernment. While administrative tasks and drafting are routinely delegated to subordinate officers, the core adjudicatory function of analyzing cases, its facts, interpreting law and shaping legal reasoning has always been a non-delegable duty of lawmakers and administrative officers. The question arises whether the same insight, be delegated between a human adjudicator and a machine.

In the case of Pooja Ramesh Singh vs Jammu and Kashmir Bank Ltd, the Supreme Court of India directly confronted with this issue. The case began as a dispute under Section 7 of insolvency and bankruptcy code 2016, however an appeal to Supreme Court changed the proceedings dramatically when the case was found contaminated by numerous non-existent, fabricated and hallucinated materials generated by artificial intelligence. The apex court declared that the decision built on fake material is ‘no decision in the eyes of the law’.¹ While the immediate discourse on this case has always seen it as merely a technology issue around ‘AI Hallucination’ this paper argues that the judgement synthesizes with the deeper constitutional principle unstated as ‘doctrine of authentic judicial reasoning’.

The judgement couldn’t have come in more crucial time than this. As judiciaries globally are adopting automated systems for efficiency, the pressure of delegating research and drafting to AI has intensified.² The Indian judicial system, on its way to elevating its speed and efficiency,

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

² Stijn Van Ruymbeke, Joke Baeck, Klaas Mulier & Thomas Demeester, *Artificial Intelligence in the Judiciary*:

lacked directions on the usage of AI which threatens replacement of human intellect. By settling aside the lower tribunal's order *in toto*, despite its valid decision, the Supreme Court has uplifted human intellectual agency from a mere administrative practice to an absolute constitutional prerequisite for judicial legitimacy.

FACTS IN BRIEF

Jammu and Kashmir Bank Ltd gave credit of ₹200 crores to principal borrower Pan India Utilities Distribution Company Ltd (PIUDCL).³ It was secured by a corporate guarantee by Essel Infraprojects Ltd (EIL) which created a mortgage of over 196.16 acres of land in Gorai village, Borivali (west), Mumbai, owned by EIL itself.⁴ On 18/11/2017 a renewal-cum-reduction letter was issued reducing the facility limit to ₹130 crores and stipulated that all other existing terms and conditions would remain applicable. Following continuous defaults by principal borrower, the bank initiated Corporate Insolvency Resolution Procedure (CIRP) against EIL, the corporate debtor (CD), by filling an application under section 7 of insolvency and bankruptcy code 2016.⁵ On 28th August 2024, the National Company Law Tribunal (NCLT), Mumbai, found the existence of both debt and default, hence it admitted the application and appointed an Interim Resolution Professional (IRP) and declared a statutory moratorium.

Aggrieved by the admission order, the suspended director of EIL - Pooja Ramesh Singh appealed to National Company Law Appellate Tribunal (NCLAT). It was contended that restructuring of EIL, especially its demerger and subsequent amalgamation had legally transferred EIL's liabilities, hence expiring its guarantee. On 11th September 2025, the NCLAT dismissed the appeal and upheld NCLT's order. They affirmed NCLT's reasoning which relied on six Supreme Court precedents which were purported.⁶

When this dispute reached Supreme Court, this procedural mistake surfaced. The Senior Counsel for the Appellant pointed out that the six citations were fake, non-existent, and completely AI hallucinated.⁷ Subsequently the Counsel of the financial creditor- Jammu and

A Systematic Literature Review on the Practical Applications, Information & Communications Technology Law (Mar. 18, 2026), <https://www.tandfonline.com/doi/full/10.1080/13600834.2026.2644818>

³ Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. 2025 SCC OnLine NCLAT 1464 [3].

⁴ Ibid.

⁵ Ibid [1].

⁶ Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. 2026 SCC OnLine SC 1258 [13].

⁷ Ibid [1].

Kashmir Bank Ltd submitted an affidavit clarifying that they had never cited these fabricated cases instead the adjudicating authority at the NCLT had conducted its own unverified research through AI.⁸

COURT'S DECISION

1. The Court acknowledged that Artificial Intelligence can be used as an assistive⁹ tool but it cannot substitute human thinking, reasoning and decision making. It was legally mandated that there must be 'total and absolute control over adjudication, with a human in the loop at every stage.'¹⁰
2. The Court established a strict 'zero tolerance'¹¹ policy for producing, citing or using AI-generated precedents without verification. It stated that today's courts and tribunals trust lawyers when referring to a precedent cited before them.¹² Hence, it is absolutely necessary to maintain the same level of integrity within the profession and the judicial system.
3. The Court declared that citing unverified AI judgements constitutes professional misconduct for advocates. They directed Bar Council of India as the apex statutory body to constitute a committee to decide and deliberate on this issue and prescribe guiding principle along with disciplinary actions to prevent such occurrences.¹³
4. It was also ruled that a judicial decision based on fake or hallucinated material is 'no decision in the eyes of the law'. Such decisions must be set aside in toto even if an 'iota'¹⁴ of hallucinated material enters the decision-making process, it directly impacts the outcome.
5. The Court remained silent on the final decision of NCLAT. Having established strict parameters, it set aside the orders of NCLT and NCLAT and restored the original

⁸ Ibid [16].

⁹ Ibid [3].

¹⁰ Ibid [1].

¹¹ Ibid [7].

¹² Ibid [16].

¹³ Ibid [9].

¹⁴ Ibid [7].

Section 7 application to the tribunal for a fresh hearing.¹⁵

THE MISSING CONSTITUTIONAL PRINCIPLE

Now the question arises why should someone be punished for making up fake information in court, even if that didn't change the final decision of the case? For this we need to comprehend the gravity of the court's intervention. The Court says assigning tasks elsewhere is not ordinary negligence or professional misconduct, for negligence requires material change in consequence. Instead, it is about authorship; if a task offers reasoning and supports judicial order then it must operate independently, without any algorithmic dependence even if it settles in the same result.

The paper proposes what Supreme Court has implicitly constructed- 'doctrine of authentic judicial reasoning. Courts just do not produce judgement; they produce reasoned justifications. The final judgement doesn't solely come from its *dispositif* but fundamentally from its *ratio decidendi*, that is authentic judicial reasoning behind it. Authenticity demands two non-negotiable things:

1. The legal authorities used to justify in a case must actually exist in real legal history.
2. The synthesis of those authorities must come directly from the human mind.

Through this order, the court separated the substantive case outcome from its procedural reasoning. Even if the corporate guarantee in this insolvency dispute was commercially valid and enforceable by law, the court refused to save the judgement on its merits. The Court, therefore stated that adjudication in case will be considered legally invalid if it is found divorced from verifiable legal reality and human synthesis.

SUPPORTING CONSTITUTIONAL FOUNDATIONS

1. The Rule of Law

It is the most prominent foundation and is shrined in the basic structure of the Constitution.¹⁶ Rule of law inherently demands equality before law, transparency and independent judiciary.

¹⁵ Ibid [20].

¹⁶ Indira Nehru Gandhi v. Raj Narain, AIR 1975 SC 2299.

Giving reasonable decision is not just a courtesy, it is the primary mechanism which would justify the ink behind every letter written in law.

When a tribunal justify deprivation, state coercion or initiation of corporate insolvency using fake, non-existing precedents, it commits the act of judicial arbitrariness. When the adjudicating authorities use these ‘phantom laws’, never passed by legislature nor tested in constitutional courts, it threatens the very foundation of justice in its true sense. Therefore, the Supreme Court’s insistence of throwing out the tribunal’s decision without asking if the fake cases actually changed the final outcome is not a new innovation. It is exactly what basic structure of constitution preserves and ask its guardian to do.

2. Natural Justice

Natural justice¹⁷, specifically the maxim *audi alteram partem* (let the other side be heard), refers to the principles of fairness, equity and justice. It grants litigants access to fair hearing and acts as a shield against arbitrary, biased and unfair administrative practices.

Fabricated cases destroy adversarial process. A lawyer can argue that a real precedent is wrongly decided or inapplicable but using these phantom cases deprives the litigants of opportunity to read, interpret and rebut during hearings. The Supreme Court, for instance referred such hallucinated precedents to the release of “methyl isocyanate” - an invisible, insidious, and catastrophic contamination which by the time anyone notices, takes away the very lifeblood of judicial determination.¹⁸

Hence the ‘doctrine of authentic judicial reasoning’ protects natural justice and ensures that all judicial determinations are built on shared, verifiable reality that both parties have equal constitutional right to access, analyse and contest in court.

3. Judicial Accountability

Under separation of powers the power of judicial review and dispensation of justice lies exclusively to the human officers of the judiciary. Article 124(3)¹⁹ and 217(2)²⁰ mandates that a person shall not be qualified for appointment of judge unless they are ‘citizen of India’ and

¹⁷ A.K. Kraipak v. Union of India, AIR 1970 SC 150.

¹⁸ Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. 2026 SCC OnLine SC 1258 [6].

¹⁹ INDIA CONST 1950, art 124(3).

²⁰ INDIA CONST 1950, art 217(2).

citizenship is a legal status granted exclusively to natural persons or human beings under Citizenship Act 1955²¹. An algorithm, AI model or software program cannot be a citizen of India nor can hold a constitutional office. They cannot sign a judgement nor take oath or be impeached by Parliament under Article 124. Hence, the constitution demands identifiable human decision making because accountability intrinsically requires moral agency.

The Supreme Court, while adjudication, took a profound philosophical stance of “Saadhana”²² which is struggle to arrive at truth. It asserts that the intellectual struggle of judging is a non-delegable duty. Thus, the requirement of ‘human in the loop’ is not merely a safety protocol, it is a firewall designed to ensure that every adjudication equals human accountability.

CRITICISM

Though the case led to a monumental step toward establishing constitutional necessity of authentic reasoning, the judgement leaves blind spots and unanswered questions.

First, the Court’s language was majorly centered towards ‘AI and hallucination’. The question as to what legally constitutes ‘iota’ of hallucination remains unanswered. Without a defined standard, the zero-tolerance doctrine can be weaponized by appellate lawyers who may actively seek for minor typographical errors to invalidate case with perfectly sound judicial orders.

The Court’s finding on accountability is heavily one sided. It instructed Bar Council of India (BCI) to build disciplinary framework for advocates but left unclear about judges and tribunal. This is a glaring omission given that the fake judgements cited in this case was done by the adjudicating tribunal itself. If they are certain that judicial reasoning remains authentic, shouldn’t the judges and adjudicating authority be required to disclose that they have utilized AI for assistance? No transparency and disclosure obligations on the Bench will ultimately hamper the true sense of justice.

Moreover, it is not stated whether the judgement applies retrospectively. Any past or pending cases/appeals can now be reopened the moment a party discovers a hallucinated case on footnote. This creates an unaddressed tension with the ‘finality of decision’ which is itself a core requirement of rule of law.

²¹ The Citizenship Act, 1955, No. 57 of 1955 (India).

²² Pooja Ramesh Singh v. Jammu and Kashmir Bank Ltd. 2026 SCC OnLine SC 1258 [4].

The Court's reliance on Bar Council of India to regulate and form new disciplinary and technological policy is questionable. BCI, being a statutory body, has historically performed its function as regulating and forming disciplinary frameworks for traditional courtroom litigation. However, existing rules suggest that they have failed to maintain pace with technological advancements. It does not have any bespoke rules governing the conduct of lawyers while using AI or any other technology to provide legal services,²³ hence delegating such responsibility to BCI may not be fruitful.

These blind spots suggest that even though the apex Court is successful in identifying the future liability rooted with the case, but it lacks the means to address it.

FUTURE IMPLICATIONS

On 3rd June 2026, weeks prior to the judgement of this case, the Supreme Court's AI Committee released the 'Draft Regulations for use of Artificial Intelligence in Courts'²⁴ for public consultation. The draft permits AI for administrative assistance but prohibits its use in deciding cases, determining bail eligibility or addressing credibility of witness. Following the Pooja Ramesh Singh judgement, the ruling ensured that the directives in draft regulation will not be merely viewed as administrative 'best practices' but as essential constitutional safeguards.

In the immediate future, India will undergo a radical shift. Regulation 43 of the aforementioned Draft proposes lawyers to disclose their use of AI. In light of the judgement, it is inevitable that courts will soon mandate formal 'AI Declarations' before hearing cases. It is likely to happen that an affidavit will be signed before every hearing, confirming either that no AI was used or that AI research has been verified with authorized legal databases. The burden of accountability will shift directly to lawyers making them strictly liable for usage of such tools.

The Court explicitly ruled that the judgement will not be considered even if *iota* of fake or hallucinated materials are found while decision making. In the future, appellate advocacies may incorporate AI audits. Losing parties will not only challenge the merits of lower court's order but will actively run judicial court orders through AI detectors so that even a miniscule hallucinated or fabricated cases/quotes are found, they could demand for complete vitiation of

²³ Anirudh Gotety, *Regulating the Ethics of the Unknown: Analysing Regulatory Regimes for AI-Based Legal Technology and Recommendations for its Regulation in India*, 14 NUJS L. Rev. 335, 337(2021).

²⁴ *Draft Regulations for Use of Artificial Intelligence (AI) in Courts*, 2026, Supreme Court of India (June 3, 2026).

the judgement. This risks opening the floodgates to procedure delays, hence forcing Supreme Court to clarify what constitutes ‘iota of hallucination’ , ‘fatal AI hallucination’ and a ‘human typographical error’.

The future of legal technology in India will be heavily centralized. The 2026 Draft regulations proposed the creation of a full time ‘apex body’ at the Supreme Court to approve and govern AI systems. We will likely see judiciary mandate exclusive licensing and usage of strictly regulated ‘Legal AI’ systems. These approved systems will prevent the generation of case law that is not linked to a verified database.

CONCLUSION

The integration of AI into legal ecosystem is inevitable and the court’s interventions in the case serve as a reminder of the non-negotiable boundaries of judiciary. This is not India’s first AI judgement; however, it is India’s first judgement on human responsibility in AI assisted adjudication. This paper has argued that *Pooja Ramesh Singh vs Jammu and Kashmir Bank Ltd* should not be merely viewed as judicial response to AI and hallucinated case. The judgement shifts the conversation from administration of artificial intelligence to defining the limits of human delegation.

With the evolving usage of AI, the future constitutional debates will no longer revolve around whether the courts should adopt these tools, but rather which aspect of human decision making will never be surrendered. The legacy of this case may not expose present technological risks in future but the questions: can constitutional authority be assisted by machines? Can they really exercise full authority, or will they be held accountable for independent human judgement, will always be asked.