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ARTIFICIAL INTELLIGENCE AS A JURIDICAL PERSON: RETHINKING ACCOUNTABILITY IN THE ERA OF AUTOMATED DECISION MAKING BY AI

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I. ABSTRACT

Artificial Intelligence OR simply AI has evolved rapidly from its humble beginnings in 'cybernetics' and 'machine learning' (ML) into a pervasive force which is now shaping governance, commerce and even social interactions. Following the trajectory of its evolution and developments like 'Large Language Models'(LLMs), generative AI, Internet of Things (IoT), and the race of achieving 'Artificial General Intelligence', the time is now ripe to address the issue of accountability with regards to the 'autonomous' acts of AI systems. Traditional legal regimes were designed for humans and corporate entities. However, in the age of AI, it seems to be struggling to address the harms caused by autonomous acts of the AI systems, such as algorithmic biases in decision making, misinformation OR misrepresentation, accidents due to 'self-driving' (auto pilot) vehicles like in the case of a self-driving Uber vehicle (modified 2017 Volvo XC90 SUV operated by Uber's Advanced Technologies Group) in 2018. This paper explores the idea of granting legal personality to AI so as to make it accountable, given the nature of evolution that it is going through. This research critically evaluates India's fragmented and inadequate AI governance regime, including the Information Technology Act, 2000, the Digital Personal Data Protection Act, 2023, and India's evolving AI policy architecture, spanning NITI Aayog's National Strategy for Artificial Intelligence (#AIforALL, 2018), NITI Aayog's Principles for Responsible AI (2021), and the Ministry of Electronics and Information Technology's India AI Governance Guidelines (2025) issued under the IndiaAI Mission. It also undertakes a comparative analysis with global approaches, including the European Union's AI Act and the regulatory approaches adopted by Japan and the United Arab Emirates toward AI accountability in commercial contexts. Arguments for and against

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granting juridical personality to AI are also examined. This paper proposes a 'hybrid' approach of granting 'quasi-juridical' personhood to AI in India, while combining shared accountability between the developers and deployers of AI systems alongside AI system itself.

II. KEYWORDS

Artificial Intelligence, Juridical personhood, AI accountability, AI Regime in India, Responsible AI Governance.

III. INTRODUCTION AND RESEARCH PROBLEM

Artificial Intelligence (AI) has developed at such a rapid pace when we take into account that its humble beginnings trace back to Cybernetics.[3] In fact, it was at the Dartmouth Workshop in 1956 where the term *Artificial Intelligence* OR simply 'AI' was coined. Now if we observe then we see terms like *Machine Learning* (ML) and *Internet of Things* (IoT) and most prominently, '*Large Language Models*' OR the LLM's, which dominate the flow of what AI is today. In fact, few years back, there was this trend of 'E-Governance' which is still a work in progress however, now AI has even surpassed that notion and has become a 'pervasive force' in shaping what governance, commerce and social interaction among humans can be.

In India, there are initiatives such as the NITI Aayog's '*National Strategy for Artificial Intelligence*' (#AIforAll) as of 2018 and the '*Principles for Responsible AI*' in 2021[4], which have definitely and without a doubt underscored the important 'transformative' potential which AI holds in domains like healthcare, education, agriculture, and financial services.

Despite AI's growing influence on everyday life, the legal framework is not adequately equipped to regulate its operation and address the harms it may cause. Although AI is an artificial form of intelligence capable of performing tasks that traditionally required human intervention, the central legal question remains one of liability: who should be held responsible for the wrongs or errors caused by AI

[3] 'Turing, Cybernetics and the Forgotten Histories of AI' (*Royal Corps of Signals | The Vital Link*) https://royalsignals.org/royal-signals-institution/editorial/turing-cybernetics-and-the-forgotten-histories-of-ai accessed 21 April 2026.

[4] NITI Aayog, *National Strategy for Artificial Intelligence #AIforAll* (Discussion Paper, June 2018) https://niti.gov.in/sites/default/files/2019-01/NationalStrategy-for-AI-Discussion-Paper.pdf.

systems? Where an AI system operates under human direction, it may be asked whether it can be treated as an agent within the meaning of the law of agency. If such a characterization is inadequate, a further question arises as to whether AI may be granted juridical personality so that it can be held liable under the law.

The increasing use of AI has attracted widespread attention because, while it offers substantial gains in efficiency, the absence of a comprehensive regulatory framework raises a fundamental question: who is liable when AI systems act independently? This leads to the central inquiry of this paper: if AI systems can act with a significant degree of autonomy, can they be treated as juridical persons for the purpose of legal accountability?

The concept of 'artificially' granting a 'legal personality' is not something new to Law. In fact, we have been granting artificial personality for the purpose of law since a long time and the formal term for it is 'juridical personality'. Companies, corporations and deities in India have long been recognised as juridical persons for the purpose of holding property, entering into legal relationships and enforcing rights before courts. Rivers have also been the subject of judicial experimentation in this regard, although such recognition remains contested because the Uttarakhand High Court's 2017 decision in Mohd Salim was stayed by the Supreme Court of India. This is a prime example of legal fiction where an artificial personality is granted so as to allocate 'responsibility' or in legal jargon, 'liability'. Due to this, the entity so granted legal personality can undertake transactions and therefore, ultimately it can also be held accountable.[5]

Extending this legal analogy to AI seems plausible and like a need of the hour since AI is increasingly becoming 'autonomous' and self-directed, gradually being able to do things like 'auto piloting' cars (self-driving), predictive algorithms in banking and most commonly used 'generative AI' which is slowly replacing artists as it was evident during the *Ghibli art trend.*[6] These things although representative of the

[5] John Dewey, 'The Historic Background of Corporate Legal Personality' (1926) 35 The Yale Law Journal 655 https://doi.org/10.2307/788782.

[6] 'As AI-Generated Art Goes Viral, the Story of Miyazaki and His Studio Ghibli' (*The Indian Express*, 28 March 2025) <https://indianexpress.com/article/explained/explained-culture/as-ai-generated-art-goes-viral-the-story-of-miyazaki-and-his-studio-ghibli-9910282/> accessed 21 April 2026.

technological progress, can't be overlooked in the sense that AI is gradually 'learning' and this means it can do certain things without direct 'human supervision' which means that its potential to exhibit 'autonomy' is increasing day by day. This brings us to the core theme of this paper that legal fiction in case of corporations, deities and even rivers is somewhat digestible, given the fact that they are ultimately being controlled by a human somewhere, which translates to accountability on their part, if the need so arises. But the same can't be said for AI because unlike in the case of corporations, a human is often not there to oversee the functioning of AI. This ultimately means that, when AI systems cause harm, albeit through bias, misinformation OR even by accident, the traditional liability framework of legal fiction falters.

Examining the global position, the debate over whether AI should be granted legal personality has gained sufficient momentum to warrant detailed scholarly analysis. European Union's (EU) own AI Act adopts a 'risk-based' regime wherein certain AI systems are labelled as 'high risk' but even then, it doesn't grant AI its own legal personality.[7] *Per contra,* other jurisdictions like that of Japan and the United Arab Emirates (UAE) have granted some recognition to AI systems, which are purely promotional[8] but at the end of the day, even they didn't grant AI personhood therefore, AI remains a 'tool' and is not an 'entity' for legal purposes.[9] In case of India, the regime to regulate AI is somewhat fragmented and not codified specifically for AI alone like the IT Act, 2000 and the Digital Personal Data Protection Act, 2023 are there.

This paper argues that considering AI to be a juridical person is a complex feat which would not grant 'consciousness' legally to it, rather it would be a practical legal construct, aimed at the filling the gap of 'accountability', which is lacking in case of AI. By examining comparative models, constitutional implications, especially that of

[7] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) OJ L 2024/1689.
[8] 'AI Watch: Global Regulatory Tracker - Japan (UPDATED)' (*JD Supra*) <https://www.jdsupra.com/legalnews/ai-watch-global-regulatory-tracker-5820332/> accessed 21 April 2026.
[9] 'United Arab Emirates Joins Japan's Global AI Regulation Framework' (*Arab News Japan*) <https://www.arabnews.jp/en/business/article_121310/> accessed 21 April 2026.

Part III's Articles 14,19 and 21 (the golden triangle) and India's evolving 'AI governance' under NITI Aayog, this paper evaluates whether juridical personhood could serve as a viable mechanism to regulate AI behaviour that is consistently becoming 'autonomous'.

The central thesis is that if through legal fiction, a juridical personality is granted to AI then it 'may' provide clarity allocating responsibility and at the same time, preserve human oversight and ethics.

A. Research Objectives

1. To examine the AI Governance regime in India.
2. To examine the feasibility of granting juridical personality to AI.
3. To assess the efficacy of existing laws regulating AI usage.
4. To compare India's sectoral approach towards AI regulation with global regimes.
5. To propose a hybrid model which strikes a balance between innovation in AI and holding it accountable for its autonomous acts.

B. Research Questions

1. Whether the granting of juridical personhood to AI is a viable mechanism to hold it accountable.
2. What is the legal regime currently regulating AI, IoT and ML in India?
3. What is the efficacy of such laws in regulating AI related concerns like biased algorithm and lack of accountability for its autonomous acts?
4. How does India's AI governance regime fare with that of the world?
5. What is the extent of danger posed by the evolving autonomous behaviour of AI?

C. Research Hypotheses

1. **Primary Hypothesis-** Granting AI a limited or 'quasi-juridical' personality can provide a viable legal construct for holding it accountable in India.
2. **Secondary hypothesis-** India's current AI Governance regime is inadequate and fragmented, necessitating an AI specific legislation.

D. Research Methodology

1. **Nature of Research –** The research is primarily doctrinal in nature, while also being qualitative and analytical at the same time. It focuses on legal doctrines, statutes and policy regime for evaluating the AI governance in India and the world.
2. **Primary Sources –**
   - **Statutes-** *Information Technology Act, 2000*; *Digital Personal Data Protection Act, 2023.*
   - **Constitutional Provisions-** Articles 14, 19 and 21 from Part III of the Constitution of India, 1950.
   - **Case laws-** Salomon v A Salomon & Co Ltd [1897] AC 22 (HL); Mohd Salim v State of Uttarakhand, Writ Petition (PIL) No 126 of 2014 (Uttarakhand HC, 20 March 2017) 2017 SCC Online Utt 367; Pramatha Nath Mullick v Pradyumna Kumar Mullick (1925) 52 IA 245 (PC).
3. **Secondary Sources-**
   - Scholarly works of Minsky, Bellman, Russel & Norvig, Dewey and Solum for understanding AI, ML, IoT and AI accountability in current times.
   - Policy framework documents like NITI Aayog's *National Strategy for AI, Principle of Responsible AI, India AI Governance Guidelines.*
   - International regimes such as European Union's *AI Act*, Japan and UAE's legal stance on AI.
4. **Approach-**
   - Doctrinal analysis of whether legal fiction of personhood be granted to AI.
   - Comparative paradigm approach for studying India's fragmented regime with that of the World (Like EU, Japan and UAE).
   - Critical arguments both *For* and *Against* AI getting juridical personhood.
   - Reformatory measures for developing AI centric legislation in India, thereby upholding AI Governance.

5. **Scope and Limitations-** This study is confined to legal accountability and governance measures for AI by employing doctrinal analysis and qualitative interpretation. Therefore, it excludes 'empirical testing' of AI systems and thus any further research can be done upon the same, taking this study as the base of it.

E. Literature Review

The debate on whether to grant legal personality to AI brings forth a 'multi-disciplinary' approach by scholars, spanning over Law, Philosophy and Technology. This literature review seeks to synthesize the same from Indian as well global perspectives.

1. **Defining AI and Juridical personhood:** AI has been rightfully defined by Marvin Minsky in 1968 as the 'science of making machines perform tasks requiring human intelligence'[10]. *Per Contra,* another scholar by the name of R. Bellman defined AI as the 'automation of human-like activities such as problem solving and learning' in 1978.[11] Russel and Norvig too classified AI into 'categories of thinking OR acting humanly and rationally' in 2020.[12] These definitions highlight AI's autonomy, which further adds to the central idea of this paper, whether AI can be considered as legal persons.
2. **Indian Policy Framework:** The AI governance in India is a 'principle-based' and decentralized:
   - **National Strategy for Artificial Intelligence (#AIforALL, 2018)-** identifies healthcare, agriculture, education, smart cities and mobility as 'priority sectors' for AI integration.[13]
   - **Arnab Kumar (2020)-** His work 'reinforced' the need for institutional mechanisms such as 'Centres of Research Excellence' (COREs) and

[10] Marvin Minsky, *'Semantic Information Processing'* (MIT Press 1968).
[11] R Bellman, *An Introduction to Artificial Intelligence: Can Computers Think?* (Boyd & Fraser Publishing Company 1978).
[12] S Russell and P Norvig, *Artificial Intelligence: A Modern Approach* (4th edn, Pearson 2020) 2.
[13] NITI Aayog, *National Strategy for Artificial Intelligence #AIforAll* (Discussion Paper, June 2018) https://niti.gov.in/sites/default/files/2019-01/NationalStrategy-for-AI-Discussion-Paper.pdf.

'International Centres for Transformational AI' (ICTAIs) in order to foster innovation and collaboration.[14]

- **Principles for Responsible AI (NITI Aayog, 2021) -** outlines ethical guidelines that emphasize safety, inclusivity, transparency and, most importantly, accountability in the design, development and deployment of AI systems.[15]
- **India *AI Governance Guidelines* (PIB, 2025)-** addresses inherent risks related to the abuse of AI such as deepfakes, algorithmic discrimination and systemic threats, proposing a specific 'risk assessment framework' for AI in India.[16]

These policy ideas showcase India's 'principle-based' and decentralized approach towards AI Governance; however, it lacks any statutory recognition of AI as a legal personality.

3. **Comparative Global approach:**
    - EU's AI Act- adopts a 'risk based' framework, classifying AI systems into unacceptable, high, limited and minimal categories of 'risk'. Even then, it doesn't provide any sort of 'legal personality' to AI, rather it shifts the accountability part to humans.
    - Japan and UAE's approach- These nations have somewhat 'experimented' with limited recognition of the 'accountability' of AI in commercial contexts.
4. **AI in Indian Sectors**
    - AI implementation in India clearly indicates the 'accountability dilemma'. In banking sector, the State Bank of India (SBI) deployed *'predictive AI'* for

[14] Kumar (n 2).
[15] NITI Aayog, *Part 1 - Principles for Responsible Management of AI in India* (Approach Document, 22 February 2021) <https://www.niti.gov.in/sites/default/files/2021-02/Responsible-AI-22022021.pdf> accessed 21 April 2026.
[16] Ministry of Electronics and Information Technology, *India AI Governance Guidelines 2025* (November 2025) <https://negd.gov.in/press-release-india-ai-governance-guidelines> accessed 21 April 2026.

detecting frauds in 2018. While ICICI too introduced its AI by the name of 'iPal' in 2017 for customer grievance redressal.[17]

- Further in education sector too AI is being implemented and adopted for example, in Rajasthan the government came up with an App for teachers as well as students by the name of 'Rajasthan Ke Shiksha Mein Badhte Kadam' RKSMBK which is probably world's largest implementation of AI in the education sector.[18]
- In the manufacturing sector, NASSCOM's '*industry 4.0 report*' showcases AI-driven automation across production and logistics chain.[19]

These case studies clearly demonstrate the AI automation mania that has taken over India while highlighting the 'autonomy' of AI in decision making, further re-enforcing the central idea of this paper advocating for an accountability regime on part of AI, rather than relying on 'human centric' accountability models of the past.

5. Ethical and legal scholarship in AI

- Nikhilesh Gotety in 2021, examined the ethics of AI in legal profession, especially legal practice and he noted that where American Bar Association alongside the Solicitor's Regulation authority have issued a proper guideline on lawyers' using AI, *per contra*, Bar Council of India has not done so[20]. This raises question about Indian lawyers using AI responsibly.

[17] www.ETCIO.com, 'ICICI Bank's AI Chatbot iPal Empowers Customers with Information and Financial Services' (*ETCIO.com*) <https://cio.economictimes.indiatimes.com/news/enterprise-services-and-applications/icici-banks-ai-chatbot-ipal-empowers-customers-with-information-and-financial-services/61118452> accessed 21 April 2026.
[18] www.ETGovernment.com, 'With AI-Based RKSMBK App, Rajasthan Gives Tech Touch to Its Government Schools' (*ETGovernment.com*) <https://government.economictimes.indiatimes.com/news/education/with-ai-based-rksmbk-app-rajasthan-gives-tech-touch-to-its-government-schools/95825109> accessed 21 April 2026.
[19] 'Manufacturing 4.0: India's AI-Powered Industrial Revolution' <https://www.investindia.gov.in/blogs/manufacturing-40-indias-ai-powered-industrial-revolution> accessed 21 April 2026.
[20] Nikhilesh Gotety, 'Regulating the Ethics of the Unknown: Analysing Regulatory Regimes for AI-Based Legal Technology' (2021) 14(3) NUJS L Rev 277 <https://nujslawreview.org/wp-content/uploads/2021/11/14.3-Gotety.pdf> accessed 21 April 2026.

- Further, three scholars argued that currently the AI regime is 'nascent' and thereby it requires an 'interdisciplinary approach' combining law, policy, philosophy and technology.[21]
- *Handbook on AI and Law (ISAIL, 2021)* also provides a structured overview regarding institutional mechanisms for AI governance in India, clearly advocating the need for a 'cohesive' AI regime.[22]

6. IoT and the concern of privacy

The *Internet of Things* OR the IoT is an important technology related to AI, which further raises parallel concerns about autonomy and accountability.

- It was Kevin Ashton, who for the first time coined this term in 1999.[23]
- The Federal Trade Commission's (FTC) report in 2015 'urged' companies and corporations to adopt 'best practices' for maintaining the privacy of its consumers.[24]
- EU's *Action Plan for IoT* in 2009 and its subsequent consultations in 2012 and 2013, pressed on continuous 'monitoring and surveillance' of privacy & data protection from IoT usage.[25]

7. Key takeaways

- India is having a 'fragmented' approach towards AI regime.
- Global models emphasize 'risk based' regime rather than granting juridical personality to AI.

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[21] Purvi Pokhariyal, Amit K Kashyap and Arun B Prasad (eds), *Artificial Intelligence: Law and Policy Implications* (Institute of Law, Nirma University 2020).
[22] Abhivardhan and others (eds), *2021 Handbook on AI and International Law [RHB 2021 ISAIL]* (Indo-Pacific Law in Context, ISBN 978-81-957087-0-3 2021) <https://indopacific.app/product/2021-handbook-on-ai-and-international-law/> accessed 21 April 2026.
[23] Kevin Ashton, 'Internet of Things Presentation' (Procter & Gamble, 1999) cited in History of Information, 'Kevin Ashton Invents the Term "The Internet of Things"' <https://www.historyofinformation.com/detail.php?id=3411> accessed 21 April 2026.
[24] 'FTC Report on Internet of Things Urges Companies to Adopt Best Practices to Address Consumer Privacy and Security Risks' (*Federal Trade Commission*, 27 January 2015) <https://www.ftc.gov/news-events/news/press-releases/2015/01/ftc-report-internet-things-urges-companies-adopt-best-practices-address-consumer-privacy-security> accessed 21 April 2026.
[25] Commission, 'Internet of Things: An Action Plan for Europe' COM (2009) 278 final (18 June 2009) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52009DC0278> accessed 21 April 2026.

- Ethical scholarship highlights the need for 'accountability' regime.

IV. RESEARCH AND ANALYSIS

A. Conceptual foundation: Juridical personhood and AI

The concept of juridical personality has long served as a legal fiction for allocating rights and duties to entities that are not natural persons and therefore lack physical existence. Through this doctrine, companies and corporations, and in India, deities, have been recognised as legal persons capable of owning property, entering into legal relationships and suing or being sued in their own name. Indian courts have also, in certain cases, attempted to extend similar recognition to natural entities such as rivers. In Mohd Salim v State of Uttarakhand, the Uttarakhand High Court declared the rivers Ganga and Yamuna to be legal persons. However, the operation of that judgment was subsequently stayed by the Supreme Court of India in Special Leave Petition (Civil) No 16879 of 2017, and the question remains legally unsettled. Accordingly, the case is better understood as a persuasive but contested example of judicial willingness to extend legal personality beyond human beings and corporations.

The core argument that AI too shall have juridical personality is pragmatic in its rationale because 'personhood' grants accountability and that brings legal coherence because the parties to a dispute can then enforce their rights and liabilities. This became even more evident with the 2018 incident in Arizona, USA, wherein an automated 'self-driving' Uber vehicle (a modified 2017 Volvo XC90 SUV operated by Uber's Advanced Technologies Group) hit and killed a woman.[26]

However, there is a question to be asked i.e., 'whether autonomy and decision-making capacity constitute the essentials for getting a juridical personality'.[27] Furthermore, AI systems, owing to the rapid development in technologies like ML, IoT and LLMs has

[26] National Transportation Safety Board, *Highway Accident Report: Collision Between a Car Operating in Automated Vehicle Mode and a Pedestrian, Tempe, Arizona, March 18, 2018* (NTSB/HAR-19/03, 28 February 2019) <https://www.ntsb.gov/investigations/accidentreports/reports/har1903.pdf> accessed 21 April 2026.

[27] Lawrence B Solum, 'Legal Personhood for Artificial Intelligences' (Social Science Research Network, 20 March 2008) <https://papers.ssrn.com/abstract=1108671> accessed 21 April 2026.

been increasingly exhibiting more and more 'automation'. This is concerning because unlike 'traditional tools' wherein the master had absolute control over the output, AI's output can sometimes be a bit different than what the master had intended. This is why self-driving cars, predictive algorithmic banking and most importantly, generative AI platforms showcase 'independent decision making' on the side of AI.

However, a persistent dilemma emerges i.e., whether such autonomous behaviour justifies granting of a legal personality to AI or whether liability should remain human centric, as has been the case traditionally.

B. Comparative paradigm

If we observe how AI is being regulated at the global level, it becomes apparent that jurisdictions have adopted markedly different approaches. The European Union's AI Act establishes a risk-based framework that classifies AI systems according to the degree of risk they pose, while placing compliance obligations and liability on providers, deployers, importers and distributors rather than on AI systems themselves. Japan has likewise refrained from recognising AI as a legal person. Instead, its policy framework, including the Government of Japan's AI Strategy 2022 and the Ministry of Economy, Trade and Industry's AI Governance Guidelines, promotes human-centred AI, voluntary governance, transparency and corporate accountability. Similarly, the United Arab Emirates has adopted the National AI Strategy 2031 and sector-specific regulatory initiatives to encourage AI adoption, but it does not confer legal personality on AI systems. Responsibility continues to rest with the natural and juridical persons who design, deploy and operate such systems.

These comparative models demonstrate that major jurisdictions favour human-centred accountability and regulatory oversight rather than attributing independent legal status to AI. In contrast, the United States continues to rely primarily on sector-specific regulation and traditional principles of corporate and product liability. Taken together, these approaches suggest that while AI personhood remains largely theoretical, comparative experience supports the development of clear statutory rules allocating responsibility among developers, deployers and other human actors.

C. India's fragmented approach

AI governance framework in India is exquisitely 'principle-based' and is decentralized. National Strategy for Artificial Intelligence OR #AIforAll, 2018 identified certain sectors like Education and healthcare as 'priority sectors', thereby needing AI integration and therefore it advocates for an 'inclusive development' alongside AI.

Principle for Responsible AI (2021), on the other hand outlined the ethical guidelines regarding safety, inclusivity, transparency and accountability in using AI. India AI Governance Guidelines of 2025 addressed the risks associated with 'deepfakes' and algorithmic biases by AI.

However, despite these initiatives at the side of Executive, there is still a void that needs to be filled via legislations and more specifically, an AI specific legislation, thereby ending reliance on a fragmented legal regime of the IT Act, 2000 and the DPDP Act, 2023. This is because these 2 laws fail to address the issues raised by 'India AI Governance Guidelines of 2025', thereby lacking any allocation of liability on AI. There is also the proposed *Digital India Act (DIA)*, which is intended to replace the *IT Act, 2000* and it must be referred to, whenever an AI-specific legislation is to take effect so as to avoid any duplication and to make the said AI-specific Act *harmonious* with the proposed DIA.

Apart from that, there is a practical problem arising from the use of AI systems in legal practice, namely the citation of fictitious cases generated by AI in pleadings before various High Courts and the Supreme Court. In Roop Rekha Verma and Ors v Union of India and Ors, Justice B. V. Nagarathna referred to an instance in which a lawyer had placed the fictitious citation 'Mercy v. Mankind' before the Court, using it as a stark example of AI hallucination in legal proceedings. These developments, which came to public attention in late 2025 and early 2026, underscore the urgent need for a robust accountability framework for AI systems used in the administration of justice.

V. ARGUMENTS FOR AND AGAINST GRANTING JURIDICAL PERSONHOOD TO AI

A. In favour AI getting personhood

1. **Rationale of accountability-** granting legal personhood to AI 'could' provide a way to hold it accountable for things which it did differently than what its master OR user intended it to do. This would mirror how corporate personality works. This will definitely prevent the 'diffusion of responsibility' and blame shifting between its developers and users alike.
2. **Impetus to responsible innovation-** Legal personality 'could' incentivize the developers to install 'accountability mechanism' into AI systems and thereby training AI systems to learn taking responsibility.
3. **Autonomy in function-** AI systems are already working autonomously in sectors like healthcare, banking and education, thereby juridical personality will acknowledge this autonomy in legal manner.

B. Arguments against AI getting personhood

1. **AI lacks consciousness-** This is the anti-thesis to all the arguments in favour of AI getting personhood because as it is clear, AI doesn't have its 'own' consciousness. It doesn't have its own 'locus of control' over its morality.
2. **Dilution of human accountability-** Granting juridical personality to AI may lead to cases where all the blame will be shifted on AI, either technically (by a glitch or hacking) OR by the nature of facts. This 'may' dilute human accountability.
3. **Practical enforcement challenges-** This is the most important factor regarding AI personhood that even if AI is made accountable, its liability of bearing the punishment won't work the way it does for humans.

   For example- If an AI system is held liable for a fraud then how will the punishment of paying fine work? OR if an AI system powered automated car is crashing and it happens to kill a pedestrian then how come the punishment of murder or culpable homicide be served on it?

Thus, in order to have AI accountable, the entire notion of punishment has to evolve too.

VI. SUGGESTIONS AND RECOMMENDATIONS

The following are the suggestions and reformatory approaches from the side of authors-

1. **Quasi-juridical personhood-** AI systems, just like rivers and deities, be granted a 'limited' legal personhood only for the purpose of holding them accountable. Because as we know, a full-fledged juridical personality grants a bundle of rights and duties such as right to life, right to hold property and so on.
2. **Shared responsibility-** There should be a 'graded liability' system where in it is shared among the developers because they developed the AI system; deployers if they deployed a faulty AI system knowingly; AI systems after let's say, they are trained to be accountable for their 'autonomous acts'.
   This would in someways, work like how 'contributory negligence' works in the case of Tort (s).
3. **Regulatory experiments-** India can 'experiment' with AI being a juridical person with accountability of its 'autonomous' acts in a controlled setting such as 'financial services OR autonomous self-driving vehicles.
   Once the results are stable and verifiable then the same can be expanded on to a broader system of AI usage.
4. **Constitutional safeguards-** Any recognition of quasi-juridical personhood for AI must align with the principles enshrined in Articles 14, 19 and 21 of Part III of the Constitution of India. In particular, Article 14 requires equality before the law and equal protection of the laws, which would require any legislative classification relating to AI systems to satisfy the test of reasonable classification and non-arbitrariness. If AI systems are made subject to penalties or regulatory sanctions, procedural safeguards based on the principles of natural justice, including Audi Alteram Partem, may also be incorporated to ensure a fair hearing through their authorised human representatives. This approach remains futuristic in conception, but, given the rapid pace of AI

development, it presents a plausible constitutional framework for future legislative consideration.

5. **Statutory reforms-** A dedicated 'AI specific' Act which codifies all the norms regarding AI's existence to holding it liable for its own acts thereby recognizing its juridical personality can go a long way and ensure that India is truly ready in 'legal sense' to become 'Digital India'.

Furthermore, any proposal for an AI-specific legislation in India must be posited within the ongoing legislative consultations around the *Digital India Act (DIA)*, which is intended to replace the *Information Technology Act, 2000.* The Digital India Act seeks to 'modernize' the digital regulatory framework in India, and its provisions shall directly impact the governance of AI systems. Therefore, the proposed AI-specific legislation should be harmonised with the *Digital India Act (DIA),* so as to avoid any duplication and ensure coherence in the allocation of liability.

Additionally, recent observations highlight the need of the hour for addressing the accountability of AI systems. In late 2025 and early 2026, the Supreme Court of India and various other High Courts have expressed their legitimate concerns over 'AI-generated case citations' which have been negligently cited in actual pleadings. In fact, the Supreme Court even cited an AI-fabricated case by the name of '*Mercy v. Mankind*'. Such instances of 'AI-hallucinations' demonstrate the dangers posed by 'autonomous systems' in the field and practice of Law, further underscoring the need for a statutory mechanism which imposes responsibility on the developers, deployers and, wherever appropriate and feasible, the AI systems as 'quasi-juridical' persons. Incorporating these developments strengthens the case for an AI-specific liability framework in India.

VII. CONCLUSION

The debate on whether AI should have a juridical personality is futuristic in the sense that it talks about AI getting its own bundle of rights and duties which would also make it accountable for its 'own' autonomous acts. Given the pace of things, the tech giants like Google and Microsoft are in a race to build the first 'General AI', formally known as 'Artificial General Intelligence' (AGI) which would be the evolutionary

version of current AI systems that will be 'akin' to human intelligence and 'may' even surpass it[28] in terms of capabilities.

This is the reason why we need to think with a foresight into future where AI could take the form of a robot (bot) and walk among us like a humanoid. While this may appear speculative at the present juncture, it reflects a plausible trajectory of legal development because in the coming times, there is a very high possibility of this happening. In fact, 'Sophia' the world's first humanoid AI robot, developed by Hanson Robotics in 2016 was the most advanced 'human like' AI bot at that time[29]. In fact, it was also granted citizenship of Saudi Arabia in 2017. Given the current pace of development in 2026 and beyond, the possibilities are endless.

Therefore, it becomes *sine qua non* to have a dedicated AI regime to codify the law relating to AI presently and in future. More importantly, AI shall be granted a juridical personality in a limited sense (quasi-juridical) wherein it shall only be held liable for certain acts. Although with time and the evolution of technology, the developers behind AI systems can even embed 'accountability' mechanism in them, thereby training them to 'learn' accountability.

Furthermore, the jurisprudence regarding punishment will also have to evolve so as to accommodate punishments, fines and damages that the AI may be held liable for. Gradually with time, when AI systems evolve to 'human like' physical existence, we can even think of granting them full-fledged 'juridical personality'. Ultimately, once a time comes where AI systems reach a level of technology where they will 'walk among us', we can even think of granting them the rights enshrined in Part III of our constitution and principles of natural justice like *Audi alteram partem* where they will have an equal chance of hearing once they are accused of an 'act'. It is however, a far-fetched idea with a blend of legal and science fiction, albeit a promising one.

Therefore, both the hypotheses propounded by this paper stands to be proved.

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[28] 'Who Will Win the Race to Artificial General Intelligence?' *The Indian Express* (10 February 2025) <https://indianexpress.com/article/technology/artificial-intelligence/who-will-win-the-race-to-artificial-general-intelligence-98...> accessed 21 April 2026.

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