



cyril amarchand mangaldas
ahead of the curve

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Welcome to **cam.ai**

It is with great enthusiasm that we launch the **Cyril Amarchand Mangaldas AI Quarterly Newsletter**, a dedicated publication that will provide insights into the evolving landscape of artificial intelligence (AI) in legal services. In this ever-evolving landscape, staying ahead of the curve is not just an aspiration but a necessity. This initiative is a natural extension of our firm's longstanding commitment to innovation and our deep expertise in leveraging AI to transform the practice of law.

Reflecting on our eight-year journey of adopting AI, when the technology was just beginning to prove its effectiveness in legal services is truly remarkable. When we first embarked on this path in 2017, AI was largely synonymous with machine learning – focussed on extracting and structuring information to accelerate research and analysis. The benefits were clear: enhanced efficiency, improved accuracy, and a significant reduction in time spent on labour-intensive tasks. AI-powered tools have shown the potential to revolutionise the way we handle labour-intensive tasks such as legal research, document review, and due diligence. These capabilities are set to save our lawyers countless hours of manual work, allowing them to focus on more complex and strategic aspects of their practice. However, AI remained a tool used in specific pockets of legal work, often in the hands of specialised teams rather than being a firm-wide enabler.

Today, as we step into 2025 and look ahead, we find ourselves in a fundamentally different era – one defined by generative AI and agentic workflows. This shift is not merely incremental; it is transformative. AI is no longer just assisting in extracting data – it is now creating, reasoning,

and autonomously executing tasks that were once the exclusive domain of legal professionals. The advent of generative AI has moved us beyond efficiency gains into a world where AI can draft documents, summarise complex case law, and even provide strategic insights.

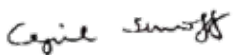
This transformation has profound implications for both lawyers and clients. Unlike before, where AI was used selectively, today every lawyer must upskill and actively integrate these technologies into their daily practice. The paradigm has shifted from AI being a supplementary tool to it being a fundamental part of legal service delivery. Simultaneously we must address the risks associated with the integration of AI. A major element in using AI is to understand how it can help and what to expect from it. AI is not a magic bullet that will solve our problems overnight. It is a tool that, when used correctly, can significantly enhance our capabilities. However, it is essential to have realistic expectations and a clear understanding of its limitations. AI should be seen as a complement to human intelligence, not a replacement for it.

Moreover, the expectations of our clients have evolved significantly. Many of our corporate clients are themselves embracing AI, integrating it into their legal operations, and expecting their law firms to not only keep pace but also to lead the way in deploying AI-driven legal solutions. This marks a defining moment for law firms — one where success will be determined by our ability to blend legal expertise with technological fluency to provide smarter, faster, and more cost-effective solutions.

At Cyril Amarchand Mangaldas, we embrace this challenge with conviction. Our commitment to AI-driven legal services is not just about adopting new tools; it is about redefining the way legal services are delivered. We believe that the future of legal services lies at the intersection of human expertise and technological innovation. We are determined to foster this amalgamation by encouraging our lawyers to experiment with new technologies and apply them creatively. Through this newsletter, we aim to share our learnings, track industry developments, and provide thought leadership on how AI is reshaping the legal profession.

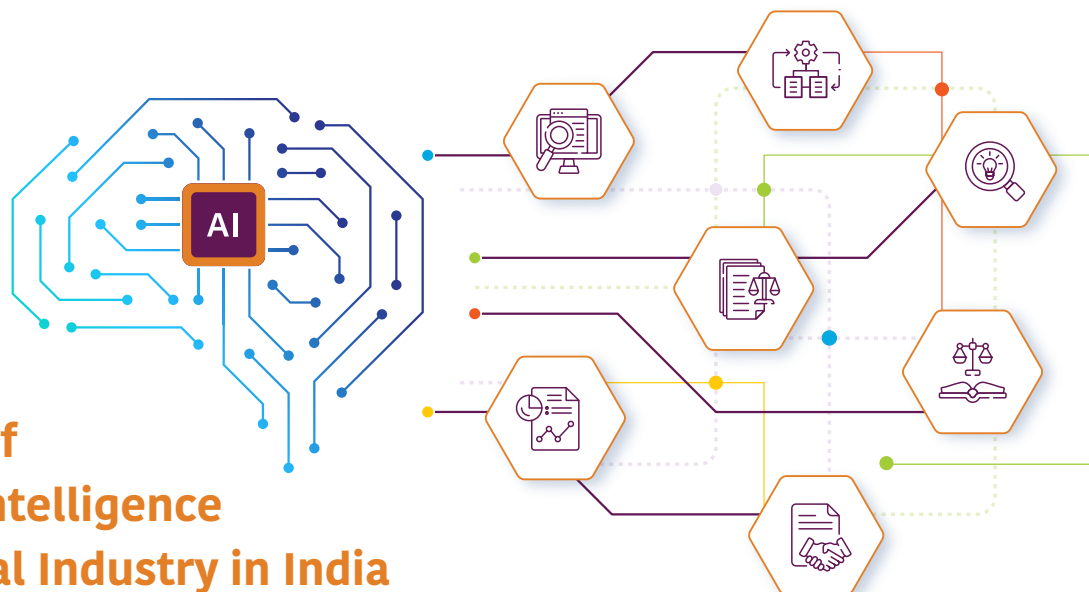
We look forward to engaging with you on this journey as we navigate the future of AI in law — together.

Regards,
Cyril Shroff



Managing Partner
Cyril Amarchand Mangaldas

India's
leading law
firm



Need for AI in the Indian Legal Industry

The Indian legal system, arguably one of the largest and most complex in the world, operates under a federal structure with multiple sources of law and diverse languages. Adoption of AI can help ease the burden on the legal system, benefitting the courts, lawyers, and judges in India. It can automate and streamline various legal tasks, such as legal research, document review, contract analysis, and e-Discovery, which are often time-consuming, repetitive, and prone to human errors. AI can also assist in case management, scheduling, and communication, which can reduce the administrative burden on lawyers and judges. Further, it can democratize access to legal services, especially for those who are underserved or excluded by the conventional system, and can also help in bridging the linguistic barriers through translation, transcription, and localisation of legal documents and services.

Generative AI has the potential to revolutionise the legal industry by automating routine tasks and enhancing research and documentation capabilities. Some of the most common applications of AI in the Indian legal industry are:

Generative AI can help lawyers perform legal research efficiently by using natural language processing (**NLP**) and machine learning (**ML**) algorithms to analyse legal texts and extract relevant information. AI can provide insights into legal outcomes and trends, facilitating predictive analytics and strategic decision making. This significantly reduces the time required for legal research, allowing lawyers to focus on more complex aspects of their cases.

Document automation and drafting involves creating and reviewing legal documents, such as contracts, agreements, and pleadings, to ensure accuracy and compliance. Generative AI can automate and streamline

this process by generating, reviewing, and analysing legal documents, identifying key terms and clauses, detecting errors and inconsistencies, flagging potential risks and issues, and suggesting optimal terms and clauses. It can also provide alerts, reminders, and recommendations for contract actions.

3 e-Discovery and Litigation Support

e-discovery and litigation support involves identifying, collecting, and producing relevant electronic evidence for legal proceedings. Generative AI can assist with e-Discovery and litigation by processing and analysing large amounts of unstructured data to find relevant and responsive documents. It can also help lawyers and clients organize, review, and present evidence, collaborate and communicate with other parties.

Predictive analytics may be implemented to forecast litigation outcomes based on historical data, helping lawyers develop more effective case strategies. Additionally, AI-driven platforms can streamline case management by automating scheduling, tracking deadlines, and managing case-related documents.

4 Diligence, Contract Management and Compliance

AI can optimize various functions such as due diligence, compliance, and risk management. Generative AI can expedite the due diligence process by quickly reviewing and analysing large volumes of documents to identify potential risks and liabilities. It can also assist in regulatory compliance by continuously monitoring changes in laws and regulations. Furthermore, AI can enhance corporate governance by providing insights into board activities and shareholder relations.

Benefits of Adoption of AI

AI can help lawyers and clients save time and resources by enabling lawyers to focus on more complex and strategic aspects of their work. Through data-driven insights and recommendations, AI can also generate far more productive outcomes, thus facilitating better decision-making and problem-solving capabilities. Increased reliability, consistent results, and reduction in errors and risks can significantly improve the quality of services by lawyers.

Challenges and Limitations in the Adoption of AI



Data Privacy and Security

AI relies on large amounts of data for its functioning and learning processes, raising concerns about the privacy and security of the data that the AI systems have collected, processed, and shared. Since data breaches and leaks can have serious consequences for both lawyers and clients, ensuring AI systems' compliance with data protection laws becomes essential. The forthcoming implementation of the Digital Personal Data Protection Act, 2023, further underscores the importance of robust data privacy measures in AI applications within the Indian legal industry.



Algorithmic Bias and Fairness

AI systems can reflect and amplify the biases and prejudices that exist in the data, algorithms, and human decisions that shape them. Ensuring accountability and transparency for AI systems is crucial and the same can be achieved by designing and deploying AI tools in a way that minimises and mitigates bias and unfairness.



Ethical and Legal Accountability

The integration of AI in the legal industry raises concerns about ethical and legal accountability. For instance, if an AI system provides incorrect legal advice or makes a biased decision, it is unclear who should be held responsible. Therefore, it is crucial to formulate clear guidelines defining the roles and responsibilities of all stakeholders involved in the development and deployment of AI systems in the legal industry.



Technological Infrastructure and Training

The successful adoption of AI in the legal industry requires robust technological infrastructure and adequate training for legal professionals. The digital divide in India can limit access to AI-powered legal services, particularly in rural areas. Additionally, legal professionals need to be trained in using AI tools effectively and ethically.



Availability of Legal Data

The quality and availability of data are critical for the effective use of AI. Issues related to the quality, consistency, and accessibility of legal data can affect the performance of AI systems. Training AI systems on high-quality and representative data ensures their accuracy and effectiveness.



Lack of robust legal framework

One of the most pressing issues is the lack of a comprehensive and robust legal framework governing AI in India. This makes it challenging to ensure compliance with existing laws and regulations, leading to potential legal risks and liabilities.



Intellectual Property Rights

The integration of AI in the legal industry also raises significant intellectual property (IP) issues, particularly concerning the ownership and protection of AI-generated content. Designed to protect human creators, traditional IP laws are ill-equipped to address AI-generated IP issues since the question of recognising AI as an inventor or author remains the subject of a raging debate. Additionally, the use of AI in generating content may result in potential infringement liabilities, where AI-generated content inadvertently violates existing IP rights.



AI Hallucinations

AI tends to hallucinate case laws and bring out case laws that do not otherwise exist.



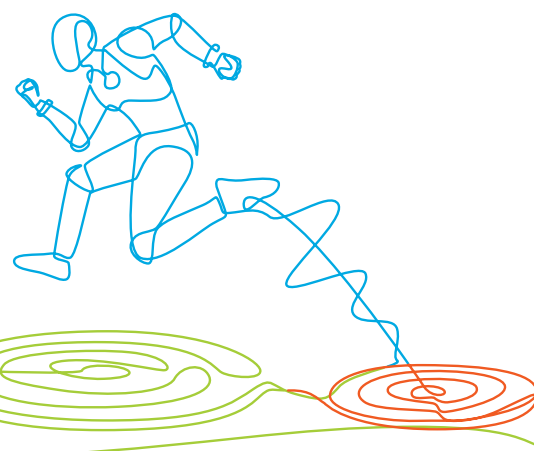
Reliability

AI tools are good at extracting and summarising data, however, their efficiency drops when the given data is considerably large. The output produced by the AI, therefore, requires proof reading and verifying by a human.



Proper Prompting

The response of AI tools is heavily reliant on the queries or prompts given to it. Many a times these prompts do not produce the desired result. Hence, it is important for the human to understand how to ask an AI to perform a function.



The Way Forward for AI in the Indian Legal Industry

The future of AI in the Indian legal industry holds immense potential to transform the way legal services are delivered and the justice system operates. Future AI systems will likely incorporate more nuanced understanding of legal language and context, making them even more reliable and useful for legal professionals.

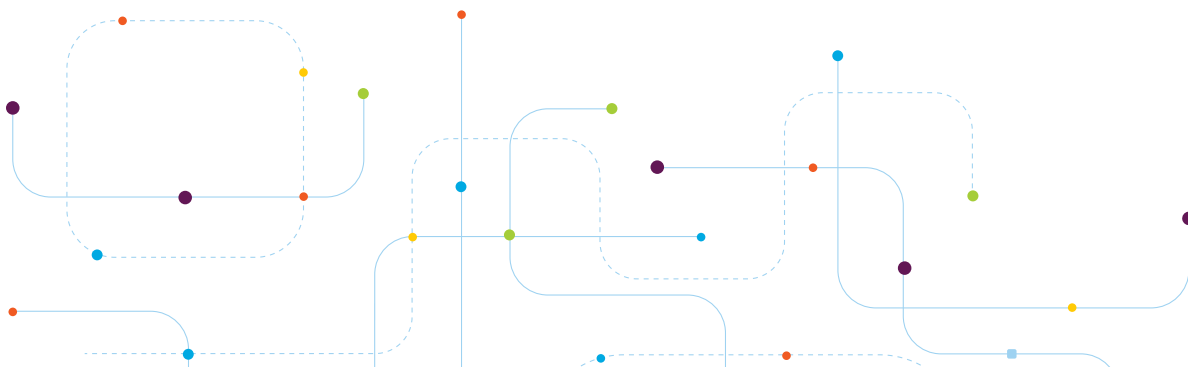
The integration of AI and blockchain technology could revolutionise the legal industry by providing secure, transparent, and tamper-proof records of legal transactions. AI powered platforms can facilitate online dispute resolution by analysing case details, suggesting settlement options, and even predicting the likelihood of successful resolution. This can make ADR more accessible, efficient, and cost effective.

As AI becomes more integrated into the legal industry, there will be a growing emphasis on developing ethical AI systems that prioritise fairness, transparency, and accountability. Legal professionals, policymakers, and technologists will need to collaborate to establish ethical guidelines and standards for AI development and deployment. The legal industry will need to continuously learn and adapt to the evolving landscape of AI technology. Legal education and training programs will play a crucial role in preparing the next generation of legal professionals for the AI-driven future.

The adoption of AI in the Indian legal industry presents both challenges and opportunities. By addressing the challenges of data privacy, algorithmic bias, ethical accountability, technological infrastructure, governing framework and ambiguity in relation to protection of



IP rights, the industry can harness the potential of AI to enhance efficiency, improve access to justice, and deliver better legal services. Integrating AI in the legal industry would not make human lawyers replaceable, rather augmenting their capabilities alongside AI would bring about the best results. The future of AI in the Indian legal industry is promising, and with careful planning and collaboration, it can lead to a more just, efficient, and accessible legal system.





Hemant Kumar, Group General Counsel
Larsen & Toubro Ltd. (L&T)

Hemant Kumar is the Group General Counsel of L&T, an Indian multinational conglomerate. He heads the legal department of the entire L&T Group's India and Global Businesses. A seasoned legal professional with over 38 years of experience, Mr. Kumar comes from a family of lawyers, corporate counsels, and judges.



cam: Where would you say your legal team is placed in the broader context of the AI journey?

HK: We have witnessed my legal team's transformation firsthand. My team have played a crucial role in ensuring responsible AI innovation within a complex legal and regulatory environment. Our AI Journey has been deliberate and measured approach, focusing on practical application that drive real value. We focus on key areas which includes regulatory compliance, ensuring adherence to data privacy laws and emerging AI regulations; ethical oversight, ensuring fairness, transparency, and accountability in AI systems. We identified significant risks that required careful assessment and mitigation. To address these risks. The AI-model relies heavily on data and we prioritize data privacy and security, ensuring compliance with data protection laws and robust security practices. Additionally, we engage in policy advocacy, collaborating with industry groups, government bodies and regulator to shape the development of AI regulations. Overall, AI Journey has not only enhanced the efficiency and productivity but also enabled us to deliver more value-added services to our business units, and other stakeholders enabling better decision making for them.

cam: What are the top 3 surprises in your interaction with AI?

HK: While working with AI, I've observed several surprising aspects but I feel these three surprises have significantly impacted my perspective as a Group Counsel: (i) Speed and Scalability, (ii) Un-anticipated Consequences, (iii) Human – AI collaboration. I was surprised by the speed

By combining the strength of human judgement and AI driven insights, we human can create more efficient, effective and innovative legal solutions.

and scalability of AI-powered tools. These tools can process vast amount of data, identify patterns and provide results at an unprecedented pace, allowing us to make more informed decision. When I say un-anticipated consequences, I am referring to decision making of AI that may have been anticipated or trained on the bias model. By combining the strength of human judgement and AI driven insights, we human can create more efficient, effective and innovative legal solutions. The technology evolves so quickly, with advancements in areas like natural language processing, machine learning, and computer vision happening faster than expected. This fast pace can be both exciting and overwhelming, requiring constant adaptation. Additionally, the unpredictability of AI outcomes has been a challenge, as models can sometimes produce unexpected or undesirable results. This highlights the need for ongoing testing, validation, and human oversight, even in advanced systems. Finally, the ethical and legal complexities surrounding AI, including issues of

bias, fairness, transparency, and data privacy, have been more profound than anticipated. These challenges force a deeper examination of the societal impact of AI and the need to balance innovation with ethical responsibility.

cam: What are the key tasks that AI is able to assist the team with?

HK: AI has greatly enhanced the efficiency of my team by providing aid in legal research, document verification, document management, risk management, strategic planning and we are making optimum usage of the new technology and automation systems. This has enabled my team to focus on higher level tasks and allocate more time to strategic decision-making and in-depth legal analysis. AI tools handling routine and repetitive tasks enhance our document reviews, increasing speed and accuracy while ensuring better compliance with evolving regulations, and more effectively manage risks associated with data privacy, intellectual property, and litigation. By integrating AI into our processes, we not only reduce operational costs but also strengthen our ability to navigate the increasing complexity of the legal landscape. However, I feel that still relying on AI for decision making is not full proof and need of human oversight and ethical consideration remains paramount.

Some of the key use cases of AI tools at our organization are:

1. We have been deploying AI- driven contract analytics to flag inconsistencies in FIDIC based contracts before finalization thereby reducing human error and preventing disputes.
2. Our legal team handling high-volume (EPC, vendor agreements, subcontractor agreements) have been using AI tools to speed up the review of such high-volume contracts, minimizing the closing time for such agreements.
3. AI tools are helping us in predicting potential contract disputes based on historical claims and suggest alternative clauses to mitigate risks before signing new agreements.

cam: What is your prediction on the utilization of AI by the legal function over the next decade?

HK: Over the next decade, AI will transform the legal function by automating routine tasks, enhancing legal research, and enabling more accurate predictive analytics. We 'll see widespread adoption of AI-powered tools for streamline document review, contract management, compliance checks, and legal research, significantly reducing costs and improving efficiency. Predictive tools will assist in assessing case outcomes and risks, while AI-powered compliance tools will help legal teams stay on top of regulatory changes. Natural language processing will further enhance document drafting and review, and AI-driven contract lifecycle management will improve governance and reduce errors. It will also play a larger role in dispute resolution by facilitating negotiations and predicting outcomes. However, as AI becomes more integrated, ethical concerns around bias and transparency will require new regulations and a deeper understanding of AI ethics within the legal profession.

The increase in usage of AI is also inviting security issues and thus new legislations, international treaties and laws are being framed worldwide. We are already witnessing new laws such as Digital Personal Data Protection Act, 2023 and can expect further amendments in the Information Technology Act, 2000 in India. The European Union Artificial Intelligence Regulation is also a recent example which is adopted now by European Union to deal with AI at a large scale and which, interalia, provides for prohibited AI practices. This can harness the transformative AI scenario and maintain the trust and integrity of AI in the next decade.

AI becomes more integrated, ethical concerns around bias and transparency will require new regulations and a deeper understanding of AI ethics within the legal profession.

cam: Would you say adoption of AI is easier or tougher for the legal team when compared to other functions at your organization?

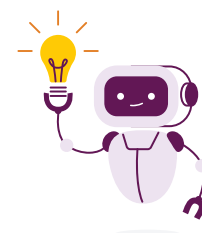
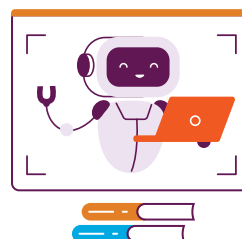
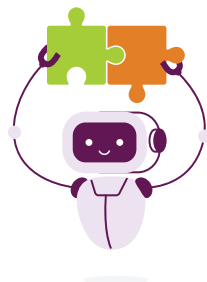
HK: For my legal team the adoption of AI presents both challenges and opportunities, distinguishing it from other functions within the organization. The complexity of legal work, coupled with strict regulatory requirements, means AI adoption must carefully align with legal standards and human judgment. Additionally, concerns around data privacy, security, and the sensitivity of the information handled by the legal team require robust security measures and compliance with data protection laws. Legal professionals' scepticism towards AI stems from concerns about accuracy and the potential erosion of professional expertise. Moreover, the need for highly customized AI solutions tailored to specific legal tasks adds another layer of complexity. Ethical concerns around bias, fairness, and accountability in legal decision-making further complicate AI integration. Despite these challenges, AI offers key opportunities, such as automating repetitive tasks, improving decision-making through predictive analytics, and enhancing access to legal services. As AI tools become more refined and tailored to legal needs, the efficiency gains, risk management benefits, and increased productivity are expected to drive greater acceptance and integration, ultimately benefiting the legal professionals.

In my view, the adoption of AI tools in a legal department is generally tougher compared to other departments like finance, HR, or marketing etc because legal matters involve nuanced interpretations, case laws, and regulatory frameworks that AI may struggle to fully grasp unlike finance or HR, where automation is more straightforward,

legal work often/mostly requires human judgment. Legal departments handle sensitive data like contracts, litigation documents etc. The companies may hesitate to upload such confidential data to AI-powered cloud-based tools due to security risks. And most importantly, while AI adoption is common in functions like finance and supply chain management, legal AI is still at an evolving stage, and best practices are not yet well-established.

cam: How is AI changing your expectations from, and interactions with, providers of legal services?

HK: AI is reshaping my expectations from providers of legal services by enhancing efficiency, accessibility, innovative tech-enabled solutions and personalization. The AI-powered solutions in legal profession leads to faster turnaround times and, prompting clients to expect quicker, and cost-effective services. Additionally, AI enables law firms to offer more tailored services by analyzing data to craft personalized legal strategies, and it improves accessibility through chatbots and virtual assistants that provide on-demand legal guidance. Clients also expect data-driven insights from AI to predict case outcomes, helping them make informed decisions. While businesses appreciate AI's efficiency, but they continue to value human legal expertise for judgment, strategic advice, and emotional intelligence, creating a demand for a hybrid model where AI handles routine tasks and lawyers provide final oversight. Ultimately, as AI evolves, legal providers must balance automation with human expertise to meet rising client expectations for efficiency, personalization, and ethical integrity.





Ananya Sharma, Group General Counsel
JSW Group



Ananya is the Group General Counsel of JSW Group, one of India's largest and most diversified conglomerates. She leads the legal function for public listed and private businesses of JSW in India and abroad. She is an accomplished legal professional with more than 18 years of extensive experience across corporate law, private equity, regulatory compliance, litigation, and strategic advisory.

cam: Where would you say your legal team is placed in the broader context of the AI journey?

AS: Our legal team is in the early-to-mid stages of the AI journey. While we have begun integrating AI tools for litigation management and legal research, we are still exploring its potential in contract management and legal drafting. Given the complexity and regulatory sensitivity of our industries—steel, energy, infrastructure, cements and defence—adoption is being approached with caution, ensuring that AI enhances efficiency while maintaining legal and ethical compliance.

cam: What are the top 3 surprises in your interaction with AI?

AS:

- ▮ Speed vs. Accuracy Trade-off – AI drastically reduces research time but still requires human oversight to ensure accuracy, particularly for nuanced legal issues.
- ▮ Litigation data analysis – AI's ability to notify upcoming developments and sort and present reports on litigation across various Courts and forums is impressive and has improved our ability to effectively manage litigations and disputes.
- ▮ Challenges with Indian Legal Databases – While AI is highly effective for structured legal systems like the US or UK, Indian legal research is more challenging due to inconsistencies in case law reporting, lack of standardized judgments, and frequent legislative amendments. AI tools still struggle with interpreting

unstructured legal text, meaning they require significant human validation before being relied upon.

cam: What are the key tasks that AI is able to assist the team with?

AS:

- ▮ Legal Research & Case Law Analysis – AI-powered tools streamline the process of finding relevant judgments, regulatory updates, and precedents.
- ▮ Litigation Management – AI helps manage litigation invoicing, tracking litigation costs, coordinating with external counsel and tracking litigation timelines and developments across multiple forums.
- ▮ Document Management – AI aids in automating document indexing, retrieval, and classification, reducing manual effort.

While AI will not replace lawyers, it will augment their capabilities, making legal functions more data-driven and proactive.

cam: What is your prediction on the utilization of AI by the legal function over the next decade?

AS: Over the next 5-10 years, AI will become an integral part of legal functions, transforming how we:

- ▮ Automate routine tasks – AI will handle standard contract reviews, compliance tracking, and basic legal queries, freeing up lawyers for strategic work.
- ▮ Enhance decision-making – Predictive AI will play a bigger role in litigation strategy, regulatory risk assessment, and M&A due diligence.
- ▮ Strengthen legal risk management – AI will enable real-time global risk monitoring and provide proactive solutions to potential legal challenges.

While AI will not replace lawyers, it will augment their capabilities, making legal functions more data-driven and proactive.

For a large group like ours, with diverse regulatory needs, AI adoption is a strategic necessity to enhance efficiency, risk management, and decision-making.

cam: Would you say adoption of AI is easier or tougher for the legal team when compared to other functions at your organization?

AS: Tougher, but necessary. Unlike finance, HR, or procurement—where AI adoption is largely transactional—the legal function deals with complex judgment calls, regulatory ambiguities, and ethical considerations.

AI adoption in law requires:

- ▮ Extensive validation to ensure accuracy in interpretations.
- ▮ High regulatory compliance to prevent misuse or bias in decision-making.

- ▮ Strong human oversight to ensure AI doesn't misinterpret contractual nuances or legal risks.

That said, AI is critical to legal operations in a group like ours, given the scale of contracts, disputes, and regulatory compliance we manage. Adoption will gradually increase as AI tools become more sophisticated and reliable.

cam: How is AI changing your expectations from, and interactions with, providers of legal services?

AS: AI is raising the bar for external legal service providers in three major ways:

- ▮ Greater efficiency & cost reduction – We expect law firms to leverage AI for faster turnaround times on research, contract reviews, and case assessments, reducing billable hours on repetitive tasks. However, we would always expect our advisors to disclose the use of AI and ensure that there is senior level human oversight and review on all AI outputs before it is provided to us as the client.
- ▮ Data-driven legal strategies – AI enables better litigation and regulatory analytics. We now expect law firms to back their legal opinions with AI-driven risk assessments and case law insights.
- ▮ More transparent & predictable pricing – AI allows firms to streamline operations, so we expect them to pass on efficiency gains through more predictable and value-based pricing models.

Final Thoughts

AS: AI is not replacing lawyers—it's redefining legal work. For a large group like ours, with diverse regulatory needs, AI adoption is a strategic necessity to enhance efficiency, risk management, and decision-making. The legal team's role will evolve from reactive issue resolution to proactive legal risk management, leveraging AI as a powerful enabler of business strategy.

Incase of any queries:

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