# An AI-driven Approach to Improve the Adjudication Landscape in CBIC

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## ABSTRACT

The quasi-judicial role of Indian Revenue Service (Customs & Indirect Taxes) officers is a unique feature of India's fiscal administration, as laws such as the Central Excise Act, 1944, Customs Act,1962, Service Tax (Finance Act, 1994) and the Central Goods and Services Tax Act, 2017 vest them with statutory authority to issue show-cause notices, conduct adjudicatory proceedings including personal hearings, evaluate documentary and electronic evidence, and pass reasoned orders involving classification, valuation, exemption eligibility, and tax or duty demands, penalties, and confiscation.

Unlike generalist administrative services where quasi-judicial functions are intermittent and closely embedded within executive governance, Customs and GST officers perform adjudication as a specialized and continuous function requiring deep technical knowledge of tariff law, international trade, and indirect tax jurisprudence. Their decisions are subject to a structured appellate hierarchy—culminating in the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and the GST Appellate Tribunal (GSTAT), as applicable, and constitutional courts. This quasi-judicial role has, over the years, come under increasing scrutiny as a result of the Department's adjudication success rate in higher forums. This paper seeks to analyse in detail the reasons for the poor success rate of the Department's adjudication orders in higher forums and prescribe suitable solutions to improve the same. In particular, considering the widespread adoption of Artificial Intelligence (AI) in the legal space, it is believed that the use of AI in adjudication can radically alter the Department's success rate in judicial forums, thereby leading to a cascading of positive outcomes for officers.

**Keywords**: GST, Customs, Central Excise, Service Tax, Adjudication, CESTAT, GSTAT, Show Cause Notice, Artificial Intelligence, Appeal, Evidence

## INTRODUCTION

The quasi-judicial role of Indian Revenue Service (Customs & Indirect Taxes) officers is a unique feature of India's fiscal administration, as laws such as the Central Excise Act, 1944, Customs Act, 1962, Service Tax (Finance Act, 1994) and the Central Goods and Services Tax Act, 2017 vest them with statutory authority to issue show-cause notices, conduct adjudicatory proceedings including personal hearings, evaluate documentary and electronic evidence, and pass reasoned orders involving classification, valuation, exemption eligibility, and tax or duty demands, penalties, and confiscation. Unlike generalist administrative services, where quasi-judicial functions are intermittent and closely embedded within executive governance, Customs and GST officers perform adjudication as a specialised and continuous function requiring deep technical knowledge of tariff law, international trade, and indirect tax jurisprudence. Their decisions are subject to a structured appellate hierarchy—culminating in the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) and the GST Appellate Tribunal (GSTAT), as applicable, and constitutional courts. This quasi-judicial role has, over the years, come under increasing scrutiny as a result of the Department's adjudication success rate in higher forums. The percentage of appeals decided in the Department's favour was about 27.66 % before the CESTAT in FY 2017–18. This means that roughly 72–73% of appeals were decided against the Department at that level. The success rate before the High Courts was lower (about 6.49 %) and lowest at the Supreme Court (about 1.14 %). This paper seeks to analyse in detail the reasons for the poor success rate of

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the Department's adjudication orders in higher forums and prescribe suitable solutions to improve the same. In particular, considering the widespread adoption of Artificial Intelligence (AI) in the legal space, it is believed that the use of AI in adjudication can radically alter the Department's success rate in judicial forums, thereby leading to a cascading of positive outcomes for officers. The paper is divided into a couple of sections. After a brief introduction and detailing the Adjudicatory framework in Central Board of Indirect Taxes and Customs (CBIC), the paper shows some the existing research is the large field of application of AI in law and also focuses on the research gap. Section 3 talks about the present challenges faced by it and the consequences of the same. Section 4 of the paper talks about the global trend in AI usage in legal system, . The next section focuses on the opportunities for AI in CBIC Adjudication. Section 6 shows a road map towards the proposed implementation. The next section talks about the perceived challenges in the process, section 9 briefs on ways to measure the outcomes of the recommendations and finally section 10 concludes.

## LITERATURE REVIEW

There is an ongoing literature on how the AI can be used in legal processes. The study by Shahin & Mohammad. (2023) shows potential benefits of AI technology in legal research, such as enhanced efficiency and comprehensive results. It also highlights the role of AI in document analysis, predictive analytics, and legal decision making, emphasizing the need for human oversight and also acknowledges challenges and ethical consideration. The study by Sreelatha & Choudhary (2023) shows where there are various benefits of AI in legal Decision making like reduced judgement time, improving analysis of legal points, enhanced access to justice, efficient document management while ethical concerns and challenges include explainability and transparency, data privacy and security etc. Research T study by Sonali (2024) concludes by emphasizing the importance of continuous oversight, interdisciplinary collaboration, and international cooperation in creating policies that promote the ethical and sustainable development of AI technologies in the legal field**.** Despite the growing body of literature on Artificial Intelligence (AI) in law,to the best of our knowledge insufficient research has addressed its context-specific implementation within tax administration bodies such as the Central Board of Indirect Taxes and Customs (CBIC), thereby indicating a critical research gap.The present paper addressees this gap.

**The Adjudicatory Landscape in Central Board of Indirect Taxes and Customs (CBIC)**

Customs officers act as quasi-judicial authorities under the Customs Act, 1962, adhering to principles of natural justice to adjudicate cases of duty evasion, smuggling, and infractions. Key functions include issuing show cause notices, assessing duties, confiscating goods, and imposing penalties via "Order-in-Original". The key quasi-judicial powers vested in officers under the Customs Act include: Adjudication of Cases (Section 122) where aauthorized officers (e.g., Commissioners, Deputy/Assistant Commissioners) hear cases involving illegal importation/exportation of goods, decide on the confiscation of goods (Section 111/113), and determine penalties.Assessment of Duty (Section 28) where authorized officers Determinene if duty has not been levied, short-levied, or erroneously refunded, and issue demands for payment,Confiscation and Redemption (Section 125) where the authorized officer plays the role in ddetermining whether goods should be confiscated and, if so, whether the owner should be allowed to pay a fine in lieu of confiscation,Imposition of Penalties where the authorized officer exercise discretion to impose fines and penalties on individuals or entities involved in contravention of the Act, All the adjudication proceedings culminate in a written decision known as an Order-in-Original (O-I-O), which must be detailed, reasoned, and based on evidence, adhering to principles of natural justice. Officers are also entrusted with the responsibility of reviewing their own orders and rectifying errors therein, subject to the provisions of the Act.

In the performance of their quasi-judicial roles, the officers apply the key principles of Audi Alteram Partem which includes the right to a fair hearing, requiring a Show Cause Notice (SCN) and providing the concerned party an opportunity for personal hearing. Another key principle is Preponderance of Probability, under which decisions are generally based on the weight of evidence gathered during the investigation rather than on proof beyond reasonable doubt.

Under the CGST Act, 2017, CGST officers exercise quasi-judicial functions when adjudicating tax disputes, conducting assessments, and issuing speaking orders. Key functions include issuing Show Cause Notices (SCN), conducting personal hearings, determining tax liabilities, and imposing penalties for violations (Sections 73, 74, 122). These officers act as quasi-judicial authorities by examining evidence, hearing defences, and passing orders-in-original with fairness and impartiality. The key quasi-judicial powers vested in officers under the CGST Act include:

**Adjudication of Disputes:** Proper officers determine tax, interest, and penalties through a structured process involving the issuance of show-cause notices, considering representations, and passing speaking orders.

**Assessment of Tax**: This includes various assessment types like assessment of non-filers, unregistered persons, and summary assessments in specific cases.

**Scrutiny and Audits:** Officers verify tax compliance, scrutinize returns, and conduct audits, which may lead to identifying discrepancies and initiating, or "initiating proceedings" (quasi-judicial).

**Personal Hearings:** Under Section 75(4), it is mandatory to provide a personal hearing to the taxpayer before passing an order.

**Penalty and Prosecution Management:** Commissioners can grant sanction for prosecution and determine penalties for offenses under the act.

**Registration Decisions**: Granting, rejecting, or cancelling registration (e.g., under Section 29) involves exercising discretion based on facts, constituting a quasi-judicial function.

**Refund Processing:** Reviewing refund applications and passing orders to sanction or reject refunds.

**Current Adjudication Framework**

**Customs Act**

The adjudication framework under the **Customs Act, 1962** operates as a quasi-judicial mechanism for resolving disputes relating to customs duty, valuation, classification of goods, and the imposition of penalties. The process generally begins with the issuance of a **Show Cause Notice (SCN) under Section 28**, which outlines the alleged contraventions and the proposed action against the concerned party. Adjudication is carried out by authorized officers of Customs, such as the **Principal Commissioner, Commissioner, and Joint, Deputy or Assistant Commissioners**, who function as quasi-judicial authorities according to prescribed monetary limits. In accordance with **Section 122A**, the noticee must be provided with an opportunity for a personal hearing to present their case, ensuring compliance with the principles of natural justice. The adjudicating authority may grant adjournments; however, these are generally limited to a maximum of three per party, with reasons recorded in writing. The law also prescribes time limits for the completion of adjudication. Under **Section 28(9)**, show cause notices are required to be adjudicated, as far as possible, within six months in normal cases and within one year in cases involving the extended period. Throughout the process, the principles of fairness, impartiality, and reliance on evidence must be maintained. The final order passed by the adjudicating authority may confirm the demand for duty and interest, and may also impose penalties or fines where applicable. If any party is aggrieved by the decision, they may seek redress through the appellate mechanism by filing an appeal before the **Commissioner (Appeals)** or the **Customs, Excise and Service Tax Appellate Tribunal (CESTAT)**.

**Central Goods and service Act**

The adjudication framework under the CGST Act, 2017, is a quasi-judicial mechanism for settling disputes regarding tax non-payment, short-payment, erroneous refunds, or wrong Input Tax Credit (ITC) utilization. It primarily operates through the issuance of Show Cause Notices (SCN) and the passing of orders by "proper officers" to ensure compliance. The key legal provisions are under Section 73 (Non-Fraud Cases) involving

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unintentional errors, where there is no suppression of facts, fraud, or wilful misstatement, under Section 74 (Fraud Cases) which applies to cases involving fraud, wilful misstatement, or suppression of facts to evade tax. From FY 2024–25 onwards, a new framework under section 74A applies to all new demands which harmonizes timelines and reduces penalties for early settlement.There are general provisions under Section 75 which governs principles such as providing an opportunity for a personal hearing (mandatory if an adverse decision is contemplated) and restricting adjournments to a maximum of three.There is also provision of Pre-SCN Consultation (Form GST DRC-01A) where Officers are generally required to communicate tax discrepancies in Part A of Form DRC-01A, allowing taxpayers to pay or respond before a formal SCN is issued. Failing to the same by taxpayer leads to Issuance of Scan where a formal notice is issued detailing the alleged violations and demanding tax, interest, and penalty.There are also time limits for Orders (Order-in-Original) such as under Section 73 order must be passed within 3 years from the due date of the annual return., under Section 74 order must be passed within 5 years from the due date of the annual return and proceedings are deemed concluded if no order is issued within these statutory time limits.There is also the provision of Adjudication Order (Form GST DRC-07): where the officer issues a "speaking order" (a reasoned, written decision) after considering the taxpayer's reply and personal hearing.

**Challenges in the Current Adjudication System**

The success rate for the department in indirect tax appeals at all three judicial levels was under 30%, according to 2018 data from study on enhancing quality of adjudication process by Director General Goods &Service Tax New Delhi in 2025, despite a very high petition rate. broadly it appears that the success rate has now fallen below 10%. Due to low success rates, the government often withdraws cases that fall below certain monetary thresholds, such as ₹60 lakh for tribunals, ₹2 crore for the High Court and 5 Crore for Supreme Court under Indirect Taxes.

**Key reasons for the low success rate in indirect tax appeals include:**

**Poor Quality of Adjudication Orders**

Initial adjudicating authorities (like Assistant/Deputy Commissioners) often produce cryptic, non-speaking orders that merely copy the Show Cause Notice (SCN) without addressing the taxpayer's submissions. Officers frequently focus on protecting revenue rather than interpreting the law, resulting in orders that do not stand up to scrutiny by tribunals or courts. Assessing officers often ignore settled legal positions and binding decisions of higher courts to meet targets, leading to their orders being overturned.

**Aggressive Revenue Targeting and Mindset**

There is a deep-rooted, suspicious mindset among tax officials that taxpayers are evading taxes, leading to overly aggressive assessments. There also exists pressure to achieve high revenue targets causing officers to initiate litigation even in weak cases, which then fail at the appellate level. Officers often avoid taking responsibility for dropping demands, passing the burden to the appellate authorities.

**Complexities in Legislation and Interpretation**

Complex and frequently changing tax laws create genuine differences in interpretation between tax authorities and businesses. A large portion of disputes arise from disagreements over the correct classification of goods/services or the valuation method. Strict and sometimes irrational denial of ITC by authorities based on minor procedural lapses leads to high litigation failure.

**Structural and Procedural Failures**

Weak representation of the Department before tribunals and courts often leads to losses. The system to monitor the performance of field formations in appeals has historically been deficient, with poor data maintenance at the board level. The cost of litigation to the department often exceeds the revenue collected, making the filing of appeals, in many cases, a losing proposition.

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The challenges faced with the current adjudication scenario have a dual impact on the Department, as elucidated below:

**Adverse outcomes on government policy and governance.:**

Persistent losses in higher courts highlight poor initial decision-making, which weakens the government's stance on tax policy and erodes confidence in the fairness of the tax administration leading to poor fiscal credibility The inability to sustain tax demands suggests a gap between policy intent and implementation. It leads to uncertainty for businesses, hinders the "ease of doing business" initiative, and locks up revenue in lit The exercise of litigation in cases that do not have sufficient merit ends up diverting significant government resources to "frivolous litigation" and inefficient use of public resources. Large volumes of failed appeals also leads clogging of tribunals and high courts of Judicial System, leading to inordinate delays in delivering justice. Recognizing these challenges, the government has introduced corrective measures to increase monetary thresholds for filing appeals, aimed at filtering out frivolous or low-stakes cases.

**Poor HR utilisation**

The existing adjudication environment also highlights concerns regarding the effective utilization of human resources within the Department. In many cases, officers develop a "revenue bias," where demands are confirmed in favor of the Department primarily due to concerns about vigilance scrutiny or audit objections, rather than a balanced assessment based strictly on merit. This tendency can create a cycle where questionable assessments are raised and later overturned in appellate forums, which in turn lowers morale among officers and weakens professional accountability. The pattern of frequent losses in litigation also indicates a need for stronger capacity building within the Department, particularly in enhancing legal awareness and improving officers' ability to interpret and apply evolving tax laws such as the GST framework. Furthermore, with the introduction of higher monetary thresholds for appeals, there is an increasing need for a strategic shift in human resource deployment so that officers concentrate on handling fewer but more significant and high-value cases, emphasizing quality and sound legal reasoning rather than the sheer volume of litigation.

**Artificial Intelligence in the Legal Space: Global Trends**

Artificial Intelligence is transforming the global legal landscape from an experimental technology into a core operational strategy. Over the past year, adoption rates in law firms and corporate legal departments have increased significantly, with many organizations integrating AI into daily workflows. This transition is driven primarily by the need for greater efficiency, cost control, and the ability to manage vast volumes of digitized legal data. Modern legal practice involves handling contracts, regulatory filings, litigation documents, compliance records, and large research databases. AI enables faster processing, structured analysis, and automation of repetitive tasks, thereby improving productivity and service delivery. For the current period, the focus is clearly shifting toward agentic AI systems, embedded intelligence within document platforms, and specialized legal-grade models that prioritize accuracy and reliability over general-purpose AI tools.

The legal industry is moving beyond simple generative AI systems toward more advanced agentic AI. Earlier tools primarily generated text responses or summarized documents based on prompts. In contrast, agentic AI systems can break down complex legal tasks into smaller components, plan structured workflows, and execute multiple steps sequentially. For example, in contract review, AI can analyze the full agreement, identify unusual clauses, suggest modifications, compare provisions with standard templates, and generate a risk summary. In litigation support, AI can organize evidence, extract relevant case law, and assist in drafting pleadings. This represents a shift from basic automation to semi-autonomous task management.

**Embedded and Invisible AI in Legal Systems**

A key trend is the embedding of AI directly into existing legal software and document management systems. Rather than requiring lawyers to switch between separate applications, AI capabilities are increasingly integrated into drafting platforms and internal systems. This invisible AI model ensures that assistance is

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available within the natural workflow of reviewing and managing documents. As a result, efficiency improves because professionals can access AI-generated summaries, compliance alerts, and drafting suggestions without disrupting their working process.

**Rise of Specialized Legal-Grade AI Models**

Given the high standards of accuracy and accountability required in legal practice, there is a strong shift toward specialized AI tools trained specifically on verified legal datasets. General AI models may occasionally generate incorrect or fabricated information. To reduce this risk, firms are adopting legal-grade platforms designed to ensure citation reliability, audit trails, confidentiality safeguards, and professional compliance. These systems provide more controlled and trustworthy outputs, making them suitable for high-stakes legal work.

**Predictive Litigation Analytics**

AI-powered analytics tools are increasingly used to strengthen litigation strategies. These platforms analyze historical case data, judicial behavior, opposing counsel performance, and procedural outcomes. By examining large datasets, these systems generate probabilistic insights about likely case outcomes, motion success rates, and litigation timelines. Such analytics enable lawyers to advise clients more strategically, assess settlement options, and allocate resources more effectively. However, predictive tools must be used carefully to avoid over reliance on algorithmic predictions.

**AI in Contract Lifecycle Management (CLM)**

AI-driven Contract Lifecycle Management has become a standard practice in many organizations. AI systems can automatically identify risks, detect inconsistencies, extract key clauses, and compare multiple versions of contracts within seconds. Tasks that once required hours of manual review can now be completed quickly and with greater consistency. This allows legal professionals to focus on negotiation strategy and business advisory functions rather than repetitive document analysis.

**Transformation of Legal Billing Models**

The increased efficiency generated by AI is reshaping traditional billing practices. The conventional hourly billing model is gradually being questioned because AI significantly reduces the time required for routine legal tasks. As a result, firms are adopting alternative billing models such as flat fees, subscription arrangements, and hybrid pricing structures. Clients increasingly expect transparency and value-based pricing rather than time-based billing. AI is therefore influencing not only operational workflows but also the economic structure of legal services.

**Democratization of Legal Services**

AI is enhancing accessibility in the legal sector. Smaller firms can now access advanced research, drafting, and analytics tools that were previously available mainly to large firms with extensive resources. In some cases, individuals and small businesses can use AI-based platforms for basic legal documentation and guidance at a lower cost. While this democratization expands access to justice, it also requires regulatory oversight to ensure quality, accountability, and consumer protection.

**Regional and Industry Insights**

North America continues to dominate the legal AI market, with high adoption rates among large law firms and corporate legal departments focusing on return on investment, cybersecurity, and regulatory compliance. Europe is expanding rapidly due to structured AI governance frameworks that emphasize transparency and accountability. In the Asia-Pacific region, including India, rapid digitization of legal records is enabling a transition from labour-intensive processes to AI-supported workflows, especially in intellectual property and patent-related work. Corporate legal departments across regions are leading adoption and increasingly expect their external counsel to integrate AI into service delivery.

**Opportunities for AI in CBIC Adjudication**

Adjudication is a core quasi-judicial function under the indirect tax framework administered by the Central Board of Indirect Taxes and Customs (CBIC). With increasing case volumes, complex GST transactions, and expanding data ecosystems, Artificial Intelligence (AI) presents transformative opportunities to enhance efficiency, consistency, and transparency in adjudication processes, as we will see below:

**Intelligent Case Prioritization and Risk Assessment**

AI can assist in risk-based case selection by analyzing historical adjudication data, compliance patterns, and fraud indicators. Machine learning models can categorize cases based on complexity, revenue impact, and litigation probability. This would enable officers to prioritize high-value or legally sensitive matters, ensuring optimal allocation of adjudication resources. Instead of manually reviewing hundreds of pages, officers can receive summarized, logically arranged information—allowing them to focus on legal reasoning rather than clerical effort.

**Automated Drafting Assistance**

One of the most promising applications of AI is in assisting the drafting of show cause notices and adjudication orders. Natural Language Processing (NLP) tools can extract relevant facts from investigation reports, suggest legally appropriate language, suggest structured templates based on precedent and ensure consistency in language and reasoning

AI-powered drafting tools would not replace adjudicating authorities but act as decision-support systems, reducing clerical workload and improving order quality.

**Legal Research and Precedent Mapping**

Adjudication requires extensive reference to case laws, circulars, and statutory provisions. AI systems can rapidly scan databases to identify relevant judgments from tribunals and courts , map similar factual matrices, highlight conflicting precedents suggest binding legal principles.This would enhance legal robustness and reduce avoidable litigation arising from inconsistent interpretations.

**Data Analytics for Consistency and Fairness**

AI-driven analytics can examine patterns across adjudication orders to detect anomalies, outliers, or inconsistencies. Such insights can promote uniformity across Commissionerates identify recurring interpretational disputes, assist policy formulation and circular issuance. By promoting consistency, AI indirectly promote uniformity, strengthens fairness and enhance taxpayer confidence in the adjudication process and reduces appellate burden.

**Predictive Litigation Analytics**

AI models trained on historical appeal outcomes can estimate the likelihood of orders being upheld or set aside at appellate forums. This would encourage legally sustainable decision-making, will help in quality control and internal review, reduce unnecessary litigation. Such predictive tools can guide adjudicating authorities without compromising judicial independence.

**Workflow Automation and Case Management**

AI-enabled adjudication systems can enhance workflow automation and case management by streamlining routine administrative tasks such as notice scheduling, hearing reminders, document tracking, and deadline

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monitoring. By reducing manual intervention, these systems minimize errors and ensure greater consistency in processes. Additionally, digital dashboards offering real-time updates on case status improve transparency for all stakeholders, enabling quicker decision-making and reducing procedural delays. This integrated approach not only enhances operational efficiency but also strengthens accountability within the adjudication framework.

**Knowledge Management and Capacity Building**

AI-based knowledge repositories can function as dynamic learning systems, continuously updating with new judgments and circulars. Officers can access contextual legal guidance, improving decision quality and reducing training gaps/ dependency on manual research.

**Proposed AI Implementation Strategy**

A structured AI implementation strategy for the Central Board of Indirect Taxes and Customs (CBIC) can be executed in three progressive phases to ensure stability, accountability, and measurable outcomes.

a) Phase 1: Pilot Program

This would involve identifying select zones, Commissionerate, or specific categories of cases (such as classification disputes or valuation matters) for controlled AI integration. During this stage, AI tools can assist with document analysis, precedent mapping, and risk profiling, supported by structured training programs for adjudicating officers and clearly defined evaluation metrics to assess accuracy, efficiency gains, and user adoption.

b) Phase 2: Full-scale Implementation

This phase would focus on scaling validated AI tools across CBIC formations nationwide and embedding them into routine adjudication workflows, including show cause notice review, order drafting assistance, and litigation risk assessment. Continuous monitoring mechanisms should be established to evaluate improvements in success rates before appellate forums, reduction in pendency, and consistency in decision-making.

c) Phase 3: Feedback Loop & Continuous Improvement

This final phase would institutionalize mechanisms for ongoing feedback from adjudicating officers, departmental representatives, and appellate authorities, ensuring that practical insights inform system refinement. Regular updates to AI models—aligned with evolving judicial precedents, statutory amendments, and emerging legal complexities—would ensure that the technology remains adaptive, reliable, and supportive of CBIC’s long-term fiscal objectives.

**Challenges and Risks in AI Adoption**

While AI offers immense potential, its deployment must respect, principles of natural justice, transparency in algorithmic functioning, data security and confidentiality, human oversight in final decision-making.. AI must remain an assistive tool, not a substitute for judicial application of mind.

**Measuring the Outcomes of  Recommendations**

While the use of AI in improving the overall adjudication landscape in CBIC is expected to bring a cascading positive effect in the functioning of the department, there are some tangible methods of measuring the outcome of the implementation. These are briefly discussed below:

- Success Rates at higher judicial forums
- Percentage of pro- and anti-revenue adjudication orders passed

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- Periodic surveys of Adjudicating authorities
- A clear adjudication-tracking system that monitors an officer's adjudication record throughout the officer's career, that can help provide focussed feedback to the officer.

## CONCLUSION

With Artificial Intelligence poised to completely transform the way we live, AI can significantly transform the adjudication framework of CBIC by enhancing transparency, consistency, and data-driven decision-making within India's fiscal administration. By leveraging AI-powered analytics, natural language processing, and predictive modeling, CBIC can efficiently analyze large volumes of case laws, notifications, circulars, and past orders to assist adjudicating authorities in identifying precedents and risk patterns. AI can also help to detect anomalies, reduce discretionary inconsistencies, and flag potential revenue leakages, thereby strengthening compliance and minimizing litigation. Such technological integration would contribute to faster dispute resolution, improved taxpayer trust, and a more robust and responsive fiscal system aligned with India's digital governance vision.

Overall, AI has the potential to significantly increase success rates in departmental appeals, enhance operational efficiency, and ensure greater consistency in quasi-judicial decision-making. By minimizing errors, standardizing reasoning patterns, and reducing processing time, AI-assisted adjudication can lower pendency, improve quality of orders, and strengthen revenue realization. When implemented responsibly, AI can serve not as a replacement for human judgment, but as a powerful enabler that supports fair, transparent, and evidence-based adjudication—ultimately reinforcing the credibility and effectiveness of India's fiscal governance system.

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