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INDIA AS A GLOBAL ARBITRATION HUB: PROGRESS, CHALLENGES, AND THE ROAD AHEAD

-Saleha Haneef

INTRODUCTION

Hundreds of overseas commercial contracts are executed each year without really considering the more important concern of which jurisdiction and arbitral seat would be competent to handle the dispute should anything go wrong. For many years India was ignored in favour of Singapore, London or Hong Kong due to its image that has been formed as a result of interventionist practices in the sphere of arbitration that came into being thanks to the Arbitration and Conciliation Act of 1996.¹ However, it seems that the picture is gradually changing. Thanks to a number of factors such as the more pro-arbitration stance of the Indian Supreme Court, more new institutions appearing in the region, and legislative reform which is currently being implemented, India seems to be attempting to take its place among other countries considered arbitration centres. However, the question that remains unclear is whether these attempts have any chance of success.

THE JUDICIAL TURNAROUND

The most important change has been made by the Court itself. In *Bharat Aluminium Co. v. Kaiser Aluminium Technical Services, Inc.*², the Supreme Court has restricted Indian courts only to have supervisory authority over arbitrations that are held in India thus resolving the global concerns related to an Indian Judge's interference on the arbitral awards. In *PASL Wind*

¹*The Arbitration and Conciliation Act, 1996*, No. 26, Acts of Parliament, 1996 (India), as amended by the Arbitration and Conciliation (Amendment) Acts of 2015, 2019, and 2021.

²*Bharat Aluminium Co. v. Kaiser Aluminium Technical Servs., Inc.*, (2012) 9 SCC 552 (India).

*Solutions (P) Ltd. v. GE Power Conversion India (P) Ltd.*³, the Court went even further and decided that two Indian companies can hold arbitration abroad instead of holding it in India as Indian companies which gives them more power to choose the location of arbitration. Most recently, a five-judge Bench in *Cox and Kings Ltd. v. SAP India (P) Ltd.*⁴ established the possibility for the “Group of Companies” rule to be applied in the Indian judicial system by which, a non-signatory affiliate can also be bound to the arbitration agreement if the will of the parties is established. In April 2025, the judgement in the case of *Gayatri Balasamy v. ISG Novasoft Technologies Ltd.*⁵ was delivered. According to the verdict, passed by a majority of 4: 1, the court has limited authority while examining an award under section 34 which allows it only to fix typographical, mathematical, or apparent mistakes without requiring a new arbitration process.

BUILDING THE INFRASTRUCTURE

Legal doctrine is not the only thing that forms a hub; institutions carry out that task. India has started moving away from ad hoc arbitration toward institutional arbitration through institutions such as the Mumbai Centre for International Arbitration, New Delhi International Arbitration Centre,⁶ and Chandigarh International Arbitration Centre, which was inaugurated in March 2026 as part of the India International Disputes Week and has increased institutional capacity beyond the Delhi-Mumbai axis.⁷ The focal point of this effort is GIFT City in Gujarat, which now has a specific committee working on getting an Alternative Dispute Resolution Centre established and changing the IFSCA Act, Arbitration Act, and the Mediation Act, 2023 to enhance international financial hub status.⁸ On the legislative front, a committee with 16 experts led by Dr. T.K. Viswanathan has published a draft of the Arbitration and Conciliation (Amendment) Bill, 2024, which is the third round of changes since 1996, aimed at further

³*PASL Wind Solutions (P) Ltd. v. GE Power Conversion India (P) Ltd.*, (2021) 7 SCC 1 (India).

⁴*Cox & Kings Ltd. v. SAP India (P) Ltd.*, 2023 INSC 1051 (India).

⁵*Gayatri Balasamy v. ISG Novasoft Techs. Ltd.*, 2025 INSC 605 (India).

⁶*The New Delhi International Arbitration Centre Act, 2019*, No. 17, Acts of Parliament, 2019 (India).

⁷India International Disputes Week 2026: Chandigarh International Arbitration Centre Launched, *Sansa Legal* (May 2, 2026), <https://www.sansalegal.com/post/chandigarh-international-arbitration-centre-2026-india-s-bid-to-become-a-global-arbitration-hub>

⁸IFSCA Comm. for Developing a Framework for Arbitration in IFSC (GIFT City), *Report of the Committee*, ¶¶ 3.1-3.4 (July 2024); see also Baker McKenzie, *International Arbitration Yearbook 2024-2025 - India*, Global Arb. News (Jan. 1, 2025), <https://www.globalarbitrationnews.com/2025/01/01/baker-mckenzie-international-arbitration-yearbook-2024-2025-india/>

decreasing the role of courts, legalizing emergency arbitration, and strengthening the Arbitration Council of India.⁹

THE GAP BETWEEN AMBITION AND EXECUTION

However, having an intention is not the same as having the necessary infrastructure. Analysts have made the important point that GIFT City lacks the proper institutional foundation, such as an arbitration court, judges from different countries, and the possibility of foreign lawyers to represent clients that allows the DIFC in Dubai or the ADGM in Abu Dhabi to function as venues parties choose on their own merits, independent of any commercial connection to the jurisdiction.¹⁰ In India, the enforcement aspect does not get a good reputation. Winning the case means only paper work, but Section 36 execution¹¹ takes several years due to Section 34 objections which complicates the situation. What is important to note is that even the new Draft Bill shows that there are still many disputes on how much to limit judges' participation in arbitration. A hub is judged not by its best-case judgment but by its median enforcement timeline, and on that metric India still lags Singapore and London by a wide margin. When evaluating India as a venue, foreign lawyers should also factor in one more delicate cost: the lack of any body of English-language arbitral jurisprudence at all comparable in volume to what is churned out by the SIAC or the LCIA, thereby making the results unpredictable even if the underlying law is correct.

THE ROAD AHEAD

None of this demonstrates that India's goal is unrealistic; in fact, the last 5 years show that goal is finally being complemented by actual institution-building and not just talk. What now remains is a narrower and more disciplined agenda: pass the 2024 Amendment Bill and maintain its pro-arbitration character while executing it; provide GIFT City's dispute resolution center with necessary judicial independence and international staffing for it to be a popular choice and not simply available; utilize such rulings as *Gayatri Balasamy* and *Cox and Kings*

⁹Expert Committee on Arbitration Law Reforms (T.K. Viswanathan, Chair), Ministry of Law & Justice, Government of India, *Report on the Arbitration and Conciliation (Amendment) Bill, 2024* (Feb. 2024); see also White & Case LLP, *Keeping Up with the Times: The Government of India Proposes New Arbitration Law Reforms* (Nov. 18, 2024), <https://www.whitecase.com/insight-alert/keeping-times-government-india-proposes-new-arbitration-law-reforms>

¹⁰India as the Arbitration Hub: The Conversation Is the Problem, *Bar & Bench* (June 13, 2026), <https://www.barandbench.com/columns/india-as-the-arbitration-hub-the-conversation-is-the-problem>

¹¹*The Arbitration and Conciliation Act, 1996*, § 36, No. 26, Acts of Parliament, 1996 (India).

as a minimum for obtaining consistency, not as a maximum for further doctrinal experiments. India does not require another committee report to understand how a global arbitration center should look like but rather the discipline of finalizing its creation.