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WHEN 'ARBITRATION' ISN'T ARBITRATION- RECONSTRUCTION OF SECTION 7 OF THE ARBITRATION AND CONCILIATION ACT, 1996

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Abstract

*Section 7 of the Arbitration and Conciliation Act, 1996 defines the arbitration agreement as the jurisdictional foundation of the entire arbitral edifice, yet Indian courts continue to be confronted with clauses that invoke the vocabulary of arbitration without embodying its substance. This paper examines the Supreme Court's decision in *Alchemist Hospitals Ltd. v ICT Health Technology Services India Pvt. Ltd.*, in which a dispute-resolution clause that used the word 'arbitration' three times was nonetheless held not to constitute a valid arbitration agreement, because it lacked finality, prescribed an unrealistic adjudicatory timeline, and nominated the parties' own chairmen rather than an impartial third party. The paper situates *Alchemist Hospitals* within a wider 2025-2026 trilogy of decisions from *South Delhi Municipal Corporation v SMS Ltd.* and *Nagreeka Indcon Products Pvt. Ltd. v Cargocare Logistics (India) Pvt. Ltd.* that collectively mark a discernible recalibration of Indian arbitration jurisprudence away from an expansive, pro-arbitration presumption and toward a textual, intention-centred inquiry. It further traces the doctrinal lineage from *Rukmanibai Gupta and K.K. Modi v K.N. Modi* through *Jagdish Chander v Ramesh Chander*, compares the Indian position with English and Singaporean approaches in *Fiona Trust & Holding Corp. v Privalov* and *Insignia Technology Co. Ltd. v Alstom Technology Ltd.*, and evaluates the pending Draft Arbitration and Conciliation (Amendment) Bill, 2024 for its bearing on these questions. The paper concludes that while the substance-over-form doctrine promotes drafting discipline and reduces satellite litigation over the years, it also imposes a heightened burden of textual precision that Indian transactional lawyers must now internalise.*

Introduction

Arbitration derives its entire legitimacy from consent. Unlike litigation, which is a right conferred by the sovereign upon every citizen, arbitration is a creature of contract, parties must affirmatively agree to exclude the jurisdiction of civil courts and submit their disputes to a private adjudicatory forum. Section 7 of the Arbitration and Conciliation Act, 1996¹ (Herein after referred to as ‘A&C Act’) codifies this consensual foundation by defining an ‘arbitration agreement’ as an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not. Every subsequent stage of the arbitral process, the appointment of arbitrators under Section 11,² the tribunal’s competence to rule on its own jurisdiction under Section 16,³ and the eventual enforcement of the award under Sections 34 and 36,⁴ is contingent upon the anterior existence of a Section 7 compliant agreement. If the foundation is defective, the entire edifice built upon it collapses.

The difficulty, however, is that commercial parties frequently draft dispute-resolution clauses in a hurried, formulaic, or internally inconsistent manner, borrowing the vocabulary of arbitration while structuring a process that bears none of its essential attributes. Indian courts have therefore had to develop, on a case-by-case basis, a set of indicative tests to distinguish a genuine arbitration agreement from a clause that merely uses the word ‘arbitration’ as a label.⁵ This inquiry reached a significant inflection point in 2025 and 2026, when the Supreme Court decided a trilogy of cases from *South Delhi Municipal Corporation v SMS Ltd.*,⁶ *Alchemist Hospitals Ltd. v ICT Health Technology Services India Pvt. Ltd.*,⁷ and *Nagreeka Indcon Products Pvt. Ltd. v Cargocare Logistics (India) Pvt. Ltd.*⁸ that collectively re-drew the boundary of what qualifies as an arbitration agreement under Section 7. This paper undertakes a comprehensive doctrinal and comparative analysis of this jurisprudence, situating *Alchemist Hospitals* as the analytical centrepiece while drawing out its continuities with earlier precedent, its relationship with contemporaneous decisions, its resonance with international arbitration law, and its implications for the pending legislative reform of the A&C Act.

¹ Arbitration and Conciliation Act 1996, s 7.

² Arbitration and Conciliation Act 1996, s 11.

³ Arbitration and Conciliation Act 1996, s 16.

⁴ Arbitration and Conciliation Act 1996, ss 34, 36.

⁵ *K K Modi v K N Modi* (1998) 3 SCC 573.

⁶ *South Delhi Municipal Corporation v SMS Ltd* 2025 INSC 1165.

⁷ *Alchemist Hospitals Ltd v ICT Health Technology Services India Pvt Ltd* 2025 INSC 1289.

⁸ *Nagreeka Indcon Products Pvt Ltd v Cargocare Logistics (India) Pvt Ltd* 2026 INSC 384.

The Statutory Architecture of Section 7

Section 7(1) of the A&C Act defines an arbitration agreement in broad and functional terms, requiring only that the parties agree to submit present or future disputes arising out of a defined legal relationship to arbitration. Section 7(2) permits the agreement to take the form of an arbitration clause within a contract or a separate agreement, and Section 7(4) prescribes the formal requirement that the agreement be in writing, whether contained in a document signed by the parties, exchanged in correspondence, or referenced in a manner that incorporates the clause by reference. Notably, the statute does not prescribe any particular form of words. As the Supreme Court reiterated in *Alchemist Hospitals*, drawing upon the earlier decision in *Rukmanibai Gupta v Collector, Jabalpur*,⁹ Section 7 does not require an arbitration agreement to conform to any specific linguistic template, what it requires is compliance with the substantive ingredients the provision itself lays down.

This deliberately open-textured drafting reflects the legislature's intention to accommodate the diversity of commercial practice, but it has also generated decades of litigation over what, precisely, those substantive ingredients are. Three ingredients recur across the case law and have now been synthesised most clearly in *South Delhi Municipal Corporation v SMS Ltd.*¹⁰ first, being a clear and mutual intent to arbitrate that excludes the jurisdiction of civil courts over the relevant disputes and second, a binding adjudicatory process rather than a non-binding conciliatory or negotiatory mechanism and third, a structural conformity with the accepted attributes of arbitration, including the neutrality of the decision-maker and the finality of the decision rendered. It is against this statutory and doctrinal backdrop that the *Alchemist Hospitals* dispute arose.

The Pre-Alchemist Jurisprudence- Building the Substance-Over-Form Test

In *Rukmanibai Gupta v Collector, Jabalpur*,¹¹ the Supreme Court held that no particular form of words is necessary to constitute an arbitration agreement, provided the substance of the clause discloses an intention to refer disputes to a private tribunal for binding decision. This decision established the foundational principle, later reaffirmed in *Alchemist Hospitals*, that courts must look past the label attached to a clause and examine its substantive content.

Subsequently, *K.K. Modi v K.N. Modi*¹² remains the most frequently cited authority on the

⁹ *Rukmanibai Gupta v Collector, Jabalpur*, (1980) 4 SCC 556.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

indicia of a valid arbitration agreement. The Court held that among the attributes that must ordinarily be present are, that the tribunal's decision will bind the parties and that the tribunal's jurisdiction derives from party consent, a court order, or statute and the tribunal will determine the substantive rights of the parties, that the tribunal will act impartially and judicially, owing an equal obligation of fairness to both sides, that the reference is intended to be enforceable in law and that the tribunal will decide a dispute that is already formulated at the time of reference, rather than acting merely to avoid future disagreement. The Court also emphasised subsidiary indicators over whether the tribunal receives evidence from both sides, whether the wording is consistent with an arbitral rather than an expert-determination process, and whether the tribunal is required to decide according to law. Crucially, *K.K. Modi* held that nomenclature used by the parties is not conclusive and courts must examine the true intent and purport of the agreement.

Additionally, in *Jagdish Chander v Ramesh Chander*¹³ refined the *K.K. Modi* factors into a more operational test, holding that the use of the words 'arbitration' or 'arbitrator' is not, by itself, determinative, just as the absence of those words does not necessarily negate an arbitral intention. The Court held that what matters is whether the parties intended to refer the dispute to a private tribunal willing to undertake an adjudicatory role, whose decision the parties agreed, expressly or by necessary implication, to accept as final and binding. Significantly for the analysis in *Alchemist Hospitals*, *Jagdish Chander* held that a clause reserving to a party the liberty to subsequently approach a civil court cannot be construed as an arbitration agreement, since such a reservation is fundamentally at odds with the exclusionary character of arbitration. Furthermore invoking the *Bangalore Electricity Supply Company* line of authority, the Supreme Court in *Alchemist Hospitals* reaffirmed the cardinal principle of contractual interpretation that a court's task is to ascertain the intention of the parties as expressed through the words actually used, not to speculate upon undisclosed or subjective states of mind. The Court explicitly declined to adopt either a liberal approach, which would over-emphasise repeated use of the word 'arbitration', or a narrow approach, which would disregard it altogether. The correct method, the Court held, is a textual and contextual reading confined to the four corners of the agreement, an interpretive discipline that anchors the entire substance-over-form doctrine and prevents it from collapsing into unguided judicial discretion.

¹³ *Jagdish Chander v Ramesh Chander*, (2007) 5 SCC 719.

Alchemist Hospitals Ltd. v ICT Health Technology Services India Pvt. Ltd.

The dispute arose out of a Software Implementation Agreement executed in November 2018 between Alchemist Hospitals Ltd. ('AHL'), a Panchkula-based hospital, and ICT Health Technology Services India Pvt. Ltd. ('ICT'), for the installation of ICT's hospital-management platform, 'HINAI Web', intended to digitise billing, diagnostics, and patient records. AHL alleged that the software repeatedly malfunctioned, causing operational disruption. In late 2023, AHL invoked *Clause 8.28 of the Agreement*, proposing a mediation meeting between the respective chairmen of the two companies and simultaneously seeking the appointment of a sole arbitrator. ICT responded by requesting an additional test run rather than engaging with the arbitration proposal. AHL thereafter approached the High Court of Punjab and Haryana under Section 11(6) of the A&C Act for the appointment of an arbitrator.

The High Court dismissed the petition, holding that *Clause 8.28* was not a valid arbitration agreement because the parties never intended to refer their disputes to private or independent adjudicators, nor did they intend the decision of the two chairmen to bind them. AHL appealed to the Supreme Court, framing the central question as whether *Clause 8.28 constituted a valid arbitration agreement under the A&C Act*. In its judgment delivered on 6 November 2025, the Supreme Court affirmed the High Court's view and dismissed the appeal, while granting AHL liberty to pursue its claims before a competent civil court and clarifying that any application for exclusion of time under Section 14 of the Limitation Act, 1963¹⁴ could be adjudicated on its merits by that court. The Court held decisively that the jurisprudential essence of Section 7 lies in identifying substantive intent rather than semantic cues, that the parties consciously elected arbitration as their dispute-resolution mechanism and agreed to be bound by it.

Deconstructing Clause 8.28 of the Agreement

Clause 8.28, titled 'Dispute Resolution and Arbitration', established a three-stage process which is, first, a good-faith negotiation between senior executives and second, if unsuccessful, a move to mediation, and third, a stipulation that any dispute '*shall be resolved by arbitration through senior management comprising respective Chairmen of the two parties (Arbitrators)*'. Critically, the clause further provided that if the dispute remained unresolved within fifteen days, the complaining party would be entitled to seek remedies through the courts of law. The Supreme Court observed that the clause did not show allegiance to any of the core disciplines of legal drafting, signifying that it was not merely poorly worded but fundamentally unsound

¹⁴ Limitation Act 1963, s 14.

in structure. Therefore three distinct infirmities emerge from the Court's reasoning.

1. Absence of Finality

An arbitration agreement must contemplate that the tribunal's decision will be final and binding upon the parties. Clause 8.28 not only failed to state that the chairmen's decision would be final, it expressly preserved a right to approach the courts if the internal process failed within the stipulated period. This is the very reservation that Jagdish Chander held to be incompatible with a genuine arbitration agreement a clause that keeps the courthouse door open cannot simultaneously claim to have closed it through arbitration.

2. An Unrealistic Adjudicatory Timeline

The Court held that the fifteen-day window prescribed by Clause 8.28 was indicative of a negotiation or mediation timeframe, not a formal arbitral proceeding involving the leading of evidence and the rendering of a reasoned award. On this basis, the Court concluded that the parties never manifested the requisite *animus arbitrandi*, the intention to be legally bound by the decision of a private tribunal, because no genuine arbitral process could realistically be conducted, evidence examined, and a reasoned award rendered within so compressed a period.

3. Absence of an Impartial Adjudicator

Section 12,¹⁵ read with the Seventh Schedule of the A&C Act, requires that persons appointed as arbitrators satisfy standards of independence and impartiality, and ordinarily excludes individuals with a proximate relationship to a party from acting as arbitrator absent an express waiver under Section 12(5). Clause 8.28 designated the parties' own chairmen, plainly interested representatives of each side, as 'arbitrators'. The Court clarified that this feature alone would not necessarily invalidate an arbitration agreement, since Section 12(5) permits parties to waive the independence requirement by express written agreement after disputes have arisen. However, in the absence of any such express waiver, the designation of the chairmen was read by the Court as further evidence that the parties intended an internal settlement mechanism rather than a genuine third-party adjudication.

Applying the *K.K. Modi* and *Jagdish Chander* factors systematically to these three infirmities, the Court concluded that Clause 8.28 lacked binding finality, an impartial tribunal, and an intention for enforceable legal resolution, and therefore failed to satisfy the statutory threshold under Section 7. The judgement thus stands for the broader proposition that contractual autonomy permits parties to design their own dispute-resolution process, but does not permit them to affix the legal label 'arbitration' to a process that lacks arbitration's essential

¹⁵ Arbitration and Conciliation Act 1996, s 12, sch 7.

characteristics. Therefore, autonomy, in other words, does not extend to redefining a statutory term of art.

Consolidating the Substance-Over-Form Doctrine

Alchemist Hospitals did not emerge in isolation. It forms part of a closely bunched sequence of Supreme Court decisions, commentators have described it as a trilogy that, taken together, substantially recalibrated the threshold inquiry under Section 7.

1. *South Delhi Municipal Corporation v. SMS Ltd.*

Decided on 15 May 2025 by a bench of Justices Surya Kant and N. Kotiswar Singh, *South Delhi Municipal Corporation v SMS Ltd.* arose from three separate concession agreements between municipal corporations of Delhi and private contractors for the development of parking and commercial complexes, each containing an Article 20 dispute-resolution clause of doubtful arbitral character. The Court declined to treat Article 20 as an arbitration agreement, holding that a valid arbitration agreement must reflect a clear and mutual intent to arbitrate, must entail a binding adjudicatory process, and must align with well-established norms of contemporary arbitration.

Applying this test, the Court therefore, found that Article 20 referred to conciliation rather than adjudication, conspicuously omitted the words ‘arbitrator’ or ‘arbitration’, contemplated a decision by the Municipal Commissioner rather than an independent third party, and afforded the private contractor no role in selecting the decision-maker. The Court further noted that the contractors’ own pre-litigation conduct, including a legal notice that expressly acknowledged the absence of an arbitration agreement, and a statutory notice under Section 80 of the Code of Civil Procedure, 1908,¹⁶ which presupposes recourse to a civil suit, undercut any subsequent claim that arbitration had been agreed. Perhaps most strikingly, the Court expressed strong disapproval of deliberately ambiguous drafting of dispute-resolution clauses and called upon courts to consider invoking *suo motu* powers,¹⁷ including personal accountability for legal professionals found to have engineered misleading clauses to prolong litigation.

2. *Nagreeka Indcon Products Pvt. Ltd. v. Cargocare Logistics (India) Pvt. Ltd.*

The most recent instalment in the trilogy, decided on 17 April 2026 by Justices Sanjay Karol and N. Kotiswar Singh, concerned a bill of lading issued in connection with the carriage of aluminium-foil containers from India to South Carolina, USA. Clause 25 of the bill of lading

¹⁶ Code of Civil Procedure 1908, s 80.

¹⁷ *Supreme Court Bar Association v Union of India* (1998) 4 SCC 409.

provided that disputes ‘*can be settled by arbitration in India or a place mutually agreed*’. When a dispute arose over the release of cargo without production of the original bill of lading or receipt of payment, Nagreeka invoked Clause 25 and sought appointment of a sole arbitrator under Section 11, Cargocare resisted, contending that the clause was merely permissive. The Supreme Court agreed with Cargocare, holding that the word ‘can’ connotes mere possibility rather than a mandatory obligation, and that arbitral jurisdiction must derive from unequivocal party consent expressed in clear contractual terms rather than by implication. The Bombay High Court’s refusal to appoint an arbitrator was accordingly upheld. The decision crystallises a linguistic dimension of the substance-over-form inquiry, permissive auxiliary verbs such as ‘can’ or ‘may’ will ordinarily be read as leaving arbitration optional, whereas mandatory language such as ‘shall’ is required to establish a binding reference.

Hence, reading together, *South Delhi Municipal Corporation*, *Alchemist Hospitals*, and *Nagreeka Indcon* articulates a composite three-ingredient test for a valid arbitration agreement under Section 7, which is (i) a clear and mutual intent to arbitrate that excludes recourse to civil courts, expressed in mandatory rather than permissive language (ii) a binding adjudicatory process featuring finality and a realistic procedural timeline and (iii) structural conformity with accepted arbitral norms, including the neutrality of the decision-maker. This composite test, synthesised in decisions rendered within roughly eleven months of one another, represents the most significant doctrinal consolidation of Section 7 jurisprudence since *Jagdish Chander* in 2007.

The Effect of Subsequent Correspondence and Conduct

A distinct but related question addressed in *Alchemist Hospitals* concerns the evidentiary weight of post-dispute correspondence. Indian courts have, in a range of cases, inferred the existence of an arbitration agreement from commercial correspondence, exchanged emails or telex messages, or clauses embedded in invoices, even absent a freestanding arbitration clause, an approach reflective of the broader pro-arbitration judicial trend that seeks to encourage commercial parties toward arbitration and to strengthen India’s standing as an arbitration-friendly jurisdiction. The precondition for such an inference is that the correspondence itself must evidence mutual consent to arbitrate, whether express or capable of being derived by necessary implication.

In *Alchemist Hospitals*, AHL argued that ICT’s failure to deny the existence of an arbitration agreement in its post-notice correspondence should be treated as an admission. The Supreme

Court rejected this contention, holding that subsequent correspondence can only displace or clarify an original agreement where the underlying contract already contains an arbitration clause whose meaning is ambiguous, correspondence cannot conjure into existence an arbitration agreement where the original contract reveals a fundamental absence of arbitral intent. Since Clause 8.28 was not an arbitration agreement in the first place, the question of resolving ambiguity through subsequent conduct did not arise, and mere non-denial, as opposed to an affirmative statement of intent to arbitrate, could not cure that deficiency. This holding usefully delineates the outer limit of the pro-arbitration inference, conduct can rescue an ambiguous but existing agreement, but it cannot manufacture consent that was never given.

Comparative and International Perspective

The question of whether a clause reflects a genuine intention to arbitrate, as opposed to a hybrid or aspirational dispute-resolution mechanism, is not unique to India. As cross-border commercial disputes are increasingly channelled toward arbitration, most major arbitration-friendly jurisdictions have developed comparable, intent-centred interpretive frameworks, though they differ in the presumption they apply when a clause is genuinely ambiguous.

1. England- The Fiona Trust Presumption

The House of Lords' decision in *Fiona Trust & Holding Corp. v Privalov*¹⁸ articulated a strong interpretive presumption in favour of arbitration, where commercial parties have entered into an arbitration agreement, courts should construe it so as to give effect to the parties' reasonable commercial expectation that disputes arising from their relationship be resolved in a single forum, unless the language of the clause clearly excludes certain categories of dispute from the arbitrator's jurisdiction. The *Fiona Trust* approach thus begins from a presumption of jurisdictional breadth once an arbitration agreement is found to exist, and resolves ambiguities in favour of arbitrability.

2. Singapore- Insignia Technology and the Pro-Enforcement Ethos

The Singapore International Commercial Court's approach in *Insignia Technology Co. Ltd. v Alstom Technology Ltd.*¹⁹ similarly directs that all reasonable efforts be made to give effect to a demonstrated party intention to arbitrate, even where the clause imperfectly names an arbitral institution or procedural rules. Significantly, however, the arbitration clause considered in *Insignia* expressly stated the parties' preference for arbitration over litigation and provided for

¹⁸ *Fiona Trust & Holding Corp v Privalov* (2007) UKHL 40.

¹⁹ *Insignia Technology Co Ltd v Alstom Technology Ltd* (2009) SGCA 24.

the finality of the award, features conspicuously absent from Clause 8.28 in *Alchemist Hospitals*, which by contrast expressly preserved a right to litigate. The comparison illustrates that *Insignia's* generous, pro-enforcement construction was possible only because the foundational intent to arbitrate, and the finality of the process, were never in doubt, the ambiguity there concerned mechanics, not substance.

3. The UNCITRAL Model Law and the New York Convention

Article 7 of the UNCITRAL Model Law on International Commercial Arbitration,²⁰ upon which the A&C Act is substantially based, similarly requires that an arbitration agreement record the parties' intention to submit to arbitration disputes arising out of a defined legal relationship, and Article II of the New York Convention, 1958²¹ requires contracting states to recognise a written agreement under which parties undertake to submit disputes to arbitration. Neither instrument prescribes particular language, mirroring the Indian position that no talismanic form of words is necessary. This convergence at the level of foundational text thus highlights that the Indian judiciary's substance-over-form method is not an idiosyncratic domestic innovation but a considered application of principles common to the broader international arbitration order.

A Doctrinal Distinction Worth Noting

What distinguishes the *Alchemist Hospitals-Nagreeka-South Delhi Municipal Corporation* line from the more permissive English and Singaporean approaches is the point in the analysis at which the pro-arbitration presumption is triggered. English and Singaporean courts apply their pro-arbitration presumption once the threshold question, does an arbitration agreement exist at all, has been answered affirmatively, the presumption then operates to construe the scope of that agreement generously. Indian courts, by contrast, apply exacting scrutiny at the threshold stage itself, before any presumption in favour of arbitrability comes into play. This is a defensible allocation of interpretive effort, a liberal construction of an agreement's scope serves the goal of comprehensive dispute resolution in a single forum, whereas a liberal construction of the agreement's very existence risks compelling unwilling parties into a private process to which they never truly consented. The 2025-2026 trilogy therefore represents less a departure from international norms than a more granular articulation of where, within the interpretive sequence, the pro-arbitration principle is properly deployed.

²⁰ UNCITRAL Model Law on International Commercial Arbitration 1985 (as amended in 2006), art 7.

²¹ Convention on the Recognition and Enforcement of Foreign Arbitral Awards (adopted 10 June 1958, entered into force 7 June 1959) art II.

Legislative Developments- The Draft Arbitration and Conciliation (Amendment) Bill, 2024

The judicial recalibration described above is unfolding alongside a parallel legislative reform process. Following the report submitted on 7 February 2024 by the Expert Committee on Arbitration Law, chaired by Dr. T.K. Viswanathan, the Department of Legal Affairs released the Draft Arbitration and Conciliation (Amendment) Bill, 2024 on 18 October 2024 for public consultation. Building on earlier amendments enacted in 2015, 2019, and 2021, the Draft Bill proposes several changes with direct or indirect bearing on the Section 7 inquiry discussed in this paper.

- Renaming the statute from the “Arbitration and Conciliation Act, 1996” to the “Arbitration Act, 1996”, and hiving off conciliation provisions into the separate Mediation Act framework, a structural change that would, in effect, sharpen the conceptual line between mediation-type mechanisms (of the kind found defective in *Alchemist Hospitals* and *South Delhi Municipal Corporation*) and true arbitration.
- Introducing a statutory concept of the “seat” of arbitration under a revised Section 20, intended to end the long-running seat-versus-venue debate that has generated its own volume of satellite litigation.
- Introducing an Appellate Arbitral Tribunal mechanism under a new Section 34A,²² permitting arbitral institutions to offer an internal appellate review of awards challenged under Section 34, thereby reducing recourse to court.
- Enhancing the powers of arbitral institutions, including the power to extend timelines for rendering awards and to address fee disputes, to encourage a shift from ad hoc to institutional arbitration.

None of these proposed provisions directly amends the text of Section 7 itself, and as of August 2026 the Draft Bill remains before Parliament following public consultation, without having been enacted into force. Its overall thrust, however, promoting institutional arbitration, reducing judicial intervention, and aligning Indian practice with global best practice, is entirely consonant with, and arguably reinforced by, the judicial insistence in *Alchemist Hospitals* and its companion decisions that arbitration agreements be drafted with precision. A regime that channels more disputes toward institutional arbitral rules, administered by professional institutions rather than ad hoc processes cobbled together by commercial parties, is less likely to generate the kind of internally contradictory, hybrid clause that defeated the appellant in

²² Arbitration and Conciliation Act 1996, proposed s 34A.

Alchemist Hospitals.

Conclusion

Therefore, *Alchemist Hospitals Ltd. v ICT Health Technology Services India Pvt. Ltd.* reaffirms, in unusually lucid terms, the Indian judiciary's settled position on the interpretation of arbitration agreements, which is that agreement is the foundation of the entire arbitral process, and if that foundation is defective, the structure built upon it cannot stand. Because the validity of an arbitration agreement turns entirely on the mutual intent of the parties, that is where courts must direct their interpretive energy, not toward the label the parties chose to attach to their clause. Read alongside *South Delhi Municipal Corporation v. SMS Ltd.* and *Nagreeka Indcon Products Pvt. Ltd. v. Cargocare Logistics (India) Pvt. Ltd.*, the decision forms part of a coherent and unusually concentrated body of 2025-2026 jurisprudence that has meaningfully raised the threshold for what will be recognised as a valid arbitration agreement under Section 7, a threshold measured not by the presence of the word 'arbitration', but by finality, mandatory commitment, procedural realism, and an impartial decision-maker. This approach places India in substantial alignment with the interpretive method, if not always the presumptive generosity, of leading arbitration jurisdictions such as England and Singapore, and it dovetails with the institutional and procedural reforms contemplated by the pending Draft Arbitration and Conciliation (Amendment) Bill, 2024. For legal practitioners, the message carries considerable weight, which is to draft with precision to reflect a genuine, mutual intent to arbitrate, or risk costly jurisdictional battles that defeat the very purpose, efficiency, finality, and party autonomy, that arbitration exists to serve.

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