Facts of the case:

1. The sole arbitrator was appointed by the petitioner, who later challenged its appointment.
2. According to Section 13(2) of the Act, party who intends to challenge an arbitrator eligibility must do it within 15 days after becoming aware of the circumstances that makes such arbitrator ineligible. In the present case no such plea was made by the petitioner.

Issues raised:

1. Whether a party who appoints an arbitrator knowing fully well that such arbitrator is suffering from a disability that follow under any of the categories specified in Seventh Schedule of the Act and shall be ineligible to be appointed as an arbitrator, can later challenge his appointment on the ground he was ineligible to be appointed as an arbitrator?

Decision:

1. In *TRF ltd vs Energo Engineering Projects ltd* – Person following under any of the categories specified in the Seventh Schedule are ineligible to be appointed as the arbitrator. The main issue discussed was whether the managing director after becoming ineligible by operation of law, will still be eligible to be nominated as an arbitrator. Further, the procedural compliance and eligibility of an arbitrator depending upon the norms providing under the Act or Schedule was discussed.
2. In TRF Ltd v. Energo Engineering Project Supreme Court held that the person who fails in any of the categories specified in Seventh Schedule shall be ineligible to be appointed as an arbitrator. Further, it was held that that not only the person who suffers an ineligibility under the Seventh Schedule cannot be appointed as an arbitrator but also his nominee would suffer from the same statutory ineligibility.
3. The intend of the legislature can be understood from Section 12(4) of the Act which states that a party may challenge an arbitrator appointed by him only for reasons of which he becomes where after the appointment has been made. It was held that if the ground of ineligibility is known on the date of appointment itself and the petitioner proceeds with the appointment, then the grounds of such ineligibility cannot be challenged.
4. The petitioner to challenge the appointment of the arbitrator, being appointed by himself, would go against the objective of the Act and hence shall not be encouraged.
5. The present petition is dismissed.