



INSOLVENCY & BANKRUPTCY

# When Screenshots Aren't Enough: NCLAT Slams Bid-Rigging Allegation in Atlas Alloy Liquidation Auction

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A midnight email screaming “collusion”, a father pacing inside the liquidator’s office, and a rival bid that popped up 27 seconds before the virtual hammer fell—those dramatic ingredients made Company Appeal (AT)(Ins.) No. 30 of 2024 the most watched e-auction fight of the year. When the gavel finally came down on 2 September 2025, the National Company Law Appellate Tribunal (NCLAT, Principal Bench) used the 42-page judgment to deliver a sober message: in insolvency proceedings, suspicion is not evidence and screenshots are no substitute for hard data. The case, reported as *Jai Agarwal v. Satyendra Prasad Khorania & Ors.*, began with a young bidder from Udaipur who believed he had the Beawar plot sewn up, travelled to Jaipur to “ensure formalities”, and still lost by ₹25,000. His ensuing charge of bid-rigging travelled from the NCLT Jaipur Bench to the Rajasthan High Court and finally to the NCLAT, where every allegation—bribery, last-minute insertion of a straw bidder, even technical sabotage—was dissected threadbare.

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## The Corporate Debtor and the Road to Liquidation

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M/s Atlas Alloy (India) Private Limited, a non-ferrous metal manufacturer in Rajasthan’s industrial pocket of Beawar, slipped into liquidation after Punjab National Bank’s Section 7 application under the Insolvency and Bankruptcy Code, 2016 (IBC) hit the buffers of non-resolution. The National Company Law Tribunal, Jaipur Bench, appointed chartered-accountant Satyendra Prasad Khorania as liquidator and mandated sale of the company’s only meaningful asset: 2,990 sq m of land plus a shed at Plot Nos. G-78, G-79 and part of G-80, Industrial Area, Beawar. A public notice dated 11 August 2023 fixed 6 September 2023 for an e-auction on the government-mandated portal [ncltauction.auctiontiger.net](http://ncltauction.auctiontiger.net), with a start-price of ₹1.56 crore and a bid increment of ₹25,000.

## The Players Who Locked Horns

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Jai Agarwal, a 28-year-old trader from Fatehnagar, Udaipur, fancied the plot for expansion. He registered on 29 August, deposited the earnest-money deposit (EMD) of ₹15.6 lakh on 4 September and logged in from his laptop at 12:54 p.m. on auction day. His father Manoj Agarwal, less tech-savvy, reached the liquidator’s Jaipur office hoping for “hand-holding”. On the same EMD deadline, a sole-proprietorship firm from Ajmer Road, M/s Novelty Textiles, also wired ₹15.6 lakh through RTGS in the name of its proprietor Abdul Khalid. Those two deposits—mirror images in the corporate debtor’s Kotak Mahindra bank statement—would decide the fate of the auction.

## The Day of the Digital Duel

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Bidding opened at noon. Agarwal’s first click landed ₹1.56 crore; he later nudged it to ₹1.56,30,000. For almost three hours the dashboard showed him as the lone participant. Then, at 2:59:07 p.m., Novelty Textiles punched in ₹1.56,55,000. The system instantly pushed Agarwal to “Rank 2” and flashed the next valid figure: ₹1.56,80,000. With 27 seconds left Agarwal typed ₹1.56,30,000—already below the minimum—and the portal rejected it. The clock struck 3 p.m.; the server did not auto-extend because the last bid was not placed in the final five-minute window; Novelty was declared H1. Within 24 hours it paid the balance 25 %, and by 17 October the sale deed was registered in the sub-registrar’s office, Beawar.

## The Cry of Foul and the NCLT Hearing

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Stung by the turnaround, Jai Agarwal fired off an email on 8 September alleging “manipulation and collusion”. The liquidator replied tersely that the process was algorithm-driven. Unsatisfied, Agarwal filed IA No. 522/JPR/2023 under Section 60(5) of IBC

praying for quashing of the auction, declaration of his own bid as successful, or a fresh auction. After a single hearing on 22 September the Jaipur Bench—vide order dated 6 October 2023—dismissed the plea, holding that the portal had given equal opportunity and the petitioner “failed to revise his bid within time”. A hurried writ petition before the Rajasthan High Court was withdrawn in favour of the present statutory appeal under Section 61 of IBC, lodged on 30 October 2023.

## The Appeal Before NCLAT: Broadsheets and Byte-Logs

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From the outset the appellate tribunal had two piles before it: Agarwal’s colourful screenshots versus the portal’s raw audit logs and bank statements. Counsel for the appellant, Mr Avin Chhangani, framed four broad charges: (i) Novelty was a “last-minute straw man” inserted by the liquidator; (ii) allowing Manoj Agarwal to sit inside the liquidator’s office breached confidentiality; (iii) the liquidator had demanded a bribe through intermediaries; and (iv) the appellant was “technically blocked” from raising his offer, defeating the IBC mandate of value maximisation. Respondents countered with granular data: time-stamped RTGS entries, server logs showing Agarwal’s own laptop active from 12:54 p.m. to 3:06 p.m., and screen-captures where Agarwal, despite knowing the next valid bid, repeatedly entered the already surpassed figure of ₹1.56,30,000. Mr Naresh Sejvani, for the liquidator, labelled the suit a “photograph-for-fabrication” exercise. Mr Ankit Raj, appearing for Novelty Textiles, emphasised post-auction investments—machinery installed, workers on payroll—and warned against unsettling a concluded sale.

## Legal Prism: What the Code and Regulations Demand

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Regulation 33 of the IBBI (Liquidation Process) Regulations, 2016 commands a liquidator to conduct the sale “in a transparent manner” and “maximise value”. Regulation 34 allows e-auctions, provided the platform is secure and the process time-bound. Section 60(5) clothes the NCLT with jurisdiction to intervene where fraud or material irregularity is shown; Section 61 grants appellate review. Citing *Swiss Ribbons v. Union of India* and *Sundaresh Bhatt v. Arihant Threads*, both sides agreed that while the tribunal must guard the purity of the liquidation pipeline, every litigant must allege fraud with particularity and prove it to the hilt.

## Findings on the Four Charges

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On the “last-minute bidder” claim the Bench matched the Kotak statement entry of 4 September—₹15,60,500 credited from Abdul Khalid—with the portal’s acknowledgement of Novelty’s user-ID created the same evening. The allegation was held “factually incorrect”. On presence in the liquidator’s office, the judges noted that login credentials never left Agarwal’s laptop; his father’s physical location did not amount to proxy bidding or confidentiality breach. The bribery plea failed for want of even a whisper to IBBI or an FIR. Finally, the “denial of opportunity” argument collapsed under the tribunal’s examination of screenshots: at 2:59:34 p.m. Agarwal saw exactly what he had to bid—₹1.56,80,000—yet typed a lower, invalid figure and spent the remaining seconds taking screen-grabs. The auto-extension feature would have kicked in had he placed a qualifying bid; his inaction, not collusion, sank his chances.

## The Gavel Comes Down

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Recording that “fraud must be distinctly alleged and strictly proved”, the NCLAT held the e-auction of 6 September 2023 “fair, transparent and compliant with law”. It found the NCLT’s 6 October order “reasoned and free from perversity” and dismissed the appeal, refusing to unsettle a sale deed already registered and backed by full payment. No costs were awarded, the court noting that the fight, though misguided, was not mala fide litigation of the punitive-cost variety.

Jai Agarwal walked away with a costly lesson: in the algorithmic age, a bidder armed only with screen-shots cannot bulldoze bank statements, IP logs and time-stamps. The Atlas Alloy ruling fortifies the IBC’s auction architecture, reminding stakeholders that value maximisation is achieved by vigilant but fair participation, not by post-facto narratives woven in the shadow of the clock ticking down to zero. For liquidators it is a reaffirmation that transparency documented in real-time is the best shield; for courts it is a template for balancing the integrity of the liquidation marketplace against the human urge to cry foul when the hammer falls on someone else.

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