

Press release: Extended bankruptcy for insolvency practitioner

An investigation found that after being appointed liquidator of a limited company, negligence by Ms Sharma, 55, resulted in a significant liability to creditors of the company.

The bankruptcy restrictions undertaking Ms Sharma has given to the Secretary of State for Business, Energy and Industrial Strategy means she will be bound by the restrictions set out in insolvency law until July 2025. These restrictions include acting in the management of a limited company and acting as an insolvency practitioner.

A bankruptcy order was made against Ms Sharma on 30 June 2016. Ms Sharma's restriction follows an investigation by the Insolvency Service, which found that following her appointment as liquidator of a limited company on 21 September 2011, she acted negligently and that this negligence resulted in a liability to creditors of that company of £625,236 and that this materially contributed to Ms Sharma's bankruptcy.

The bankruptcy order was made on 30 June 2016 on the petition of the liquidator of a failed limited company, presented on 11 May 2016.

Commenting on the case Gerard O'Hare, the Official Receiver for Nottingham said:

The Insolvency Service will take firm action when we find that qualified professionals, who subsequently become bankrupt, have acted negligently in carrying out their duties.

In this case, Ms Sharma's negligence in carrying out her duties as an Insolvency Practitioner has caused a loss to the creditors of a liquidated company amounting to in excess of £625,000.

These proceedings should serve to protect the public from any future misconduct by restricting Ms Sharma's ability to act as an insolvency practitioner in the future and should act as a deterrent to others.

Notes to editors

Gagen Dulari Sharma is of Birmingham and her date of birth is 25 September 1961.

If the Official Receiver considers that the conduct of a bankrupt has been

dishonest or blameworthy in some way, he or she will report the facts to the court and ask for a Bankruptcy Restrictions Order (BRO) to be made. The court will consider this report and other evidence put before it, and will decide whether it should make a BRO. If it does, the bankrupt will be subject to certain restrictions for the period stated in the order. This can be from 2 to 15 years.

The bankrupt may instead agree to a Bankruptcy restrictions Undertaking (BRU) which has the same effect as an order, but will mean that the matter does not go to court.

There are restrictions set out in insolvency law that the bankrupt is subject to until they are discharged from bankruptcy – normally 12 months and include that bankrupts

- must disclose their status to a credit provider if they wish to get credit of more than £500
- who carry on business in a different name from the name in which they were made bankrupt must disclose to those they wish to do business with the name (or trading style) under which they were made bankrupt
- may not act as the director of a company nor take part in its promotion, formation or management unless they have a court's permission to do so
- may not act as an insolvency practitioner, or as the receiver or manager of the property of a company on behalf of debenture holders
- may not be a Member of parliament in England or Wales

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures. Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies. The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

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