

Press release: Restaurant director in hot water for lack of accounting records

Mr Ajaz Manan Din Mir, a registered director of Emerald City Ltd, which traded as Anokha Indian Bar and Restaurant from Burgon Street, London, has been disqualified from acting as a company director for seven years commencing on 20 September 2017.

The Secretary of State for Business, Energy and Industrial Strategy brought proceedings against Ajaz Manan Din Mir and on 30 August 2017 the case was heard in the High Court. Upon hearing the evidence, and with Mr Mir failing to appear in court, a seven year disqualification order was made and Mr Mir was also ordered to pay costs of £4,230.

Although Mr Mir provided some accounting records to the liquidator these were inadequate and it was not possible in particular to verify what the total takings were including those made by cash and whether over £300,000 paid out from the company's bank accounts related to bona fide business expenditure. No wages records were provided either so it was not possible to establish the position with regards employees and tax due.

Mr Mir had also failed to ensure that Emerald City Ltd had complied with its statutory obligations to HMRC in particular that it had failed to submit a number of VAT returns to HMRC. HMRC duly raised assessments including an officer's assessment and at liquidation the amount stated as being owed to HMRC in relation to VAT was just over £129,000.

Additionally, no annual accounts were filed with Companies House.

An analysis of the company's bank accounts carried out by the Insolvency Service revealed that from September 2013 onwards, a total in excess of £332,000 was paid out from the accounts, of which, nothing was paid to HMRC in respect of the arrears of the VAT debt.

Commenting on the disqualification, Lawrence Zussman, Deputy Head of Investigations with the Insolvency Service said:

The period of this disqualification sends a clear message that this kind of behaviour from company directors will not be tolerated. Company directors have a statutory duty under the Companies Act to keep adequate company records which should satisfactorily explain payments.

If you fail to comply with statutory legislation, or if you treat creditors such as HMRC differently to others, then you have not

taken your responsibilities as a director seriously and the Insolvency Service will not hesitate to investigate and you run the risk of being removed from the business environment.

Ajaz Manan Din Mir, 54, was a registered director of Emerald City Ltd (Company Registration No. 08029250), which was incorporated in April 2012 and traded as an Indian Restaurant from Burgon Street, London.

Mr Mir has been disqualified for 7 years from 20 September 2017. He is of London and his date of birth is 31 January 1963.

The disqualification order was made by Registrar Barber in the High Court of Justice on 30 August 2017. Miss Jessica Powers, appeared for the Claimant, with the Defendant neither attending nor being represented.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Persons subject to a disqualification order are bound by a [range of other restrictions](#).

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.

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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