

Press release: Textile boss handed bankruptcy restrictions after abusing funds

Rostum Nagra (51), from West Leake, Nottinghamshire, was previously the director of two companies involved in textiles production.

However, between November 2014 and July 2015 he abused his position when he accessed more than £565,000 from the first company before diverting the funds to a second textiles company, called Rocco Fashion Limited, of which he was the sole director.

Rostum Nagra then attempted to wind-up the first company, claiming that it was no longer profitable. However, he didn't fully disclose his intentions to shareholders and transferred all on-going business to Rocco Fashion Limited.

The main shareholder was alerted and after examining the company's records, discovered Rostum Nagra's had transferred assets to the second company.

The main shareholder brought proceedings against Rostum Nagra to rescue the funds and in April 2018, the High Court in Birmingham found the former textiles boss to have breached his duties as director of the first company.

This was followed by a further hearing in June 2018, where the former textiles boss was ordered by the courts to compensate shareholders to the value of £565,860 including legal costs.

But the former textiles boss failed to pay the money owed and this led to the main shareholder applying to the court to have Rostum Nagra made subject to a Bankruptcy Order, which was granted in July 2018.

And to prevent Rostum Nagra from posing any further financial risks to his existing and future creditors, the Insolvency Service applied for additional years of bankruptcy restrictions to be placed upon him.

The Secretary of State has since accepted a bankruptcy restrictions undertaking from Rostum Nagra for seven years. Effective from 2 April 2019, Rostum Nagra has voluntarily prohibited himself from several activities, including acting as a director of a company without permission from the court and attempting to borrow more than £500 without declaring restrictions he is subject to.

Gerard O'Hare, Official Receiver, said:

Not only did Rostum Nagra take a substantial amount of money from the company he was a director of but his actions were deliberately planned and sustained over a number of months, demonstrating that he had scant regard for his main shareholder.

Seven years of extended bankruptcy restrictions is a significant amount of time and seriously curtails Rostum Nagra's ability to run a company and secure credit. This should serve as a warning to others that being a director is a position of responsibility and should not be abused by improper business practices.

Rostum Nagra is of West Leake, and his date of birth is April 1967.

Details of Rostum Nagra' BRU is available on the [Individual Insolvency Register](#).

Information on bankruptcy and the restrictions concerned are available [on GOV.UK](#).

You can also follow the Insolvency Service on: