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Misappropriation

Arif Naqvi, founder of Abraaj Group was accused of misappropriating $250 million. The prosecutors claimed that Naqvi has plotted a scheme for defrauding investors. Other former Abraaj executives had also been while Naqvi was arrested by the police in April, 2019 for committing fraud in shorter indictment. Abraaj also faced financial implications as the companies asserted losses of $1 billion. However, Mr. Naqvi denied the allegations and expects that he would be clear of all the charges. Abraaj’s crumbling finances collapsed last year as and the company lost its reputation. The claims of the opponents states that Abraaj has misrepresented the information and misused investors for paying regulatory cash balances (Clark, 2019).

The senior executives of Abraaj also supported suspicious valuation. The company did not care about its reputation and its credibility is on stake. The facts reveals that Abraaj has looted investors funds and still not accepting its involvement in fraudulent scheme. Mr. Naqvi has denied to provide statement to the investors in 2017 and was unable to make payment. The founder of the company neglected the role of international regulators as intercepted in the phone call, recorded in 2018. The analysis depicts that the purpose of misappropriation was to maintain credible position in thee global emerging markets. The main regulator of Abraaj was Dubai Financial Services Authority until the company suffered from collapse. DSFA was the biggest investor in Abraaj but the collapse undermined its trust and affected the relationship between investor and the company. the matter is still of great concern and Mr. Naqvi is still under curfew in London. He paid a bail bond of 1 million pounds but still face risks of imprisonment. The act of Abraaj has resulted in loss of trust and investment from the investors.

Reference

Clark, S. (2019). *Abraaj Founder Arif Naqvi Accused of Misappropriating More Than $250 Million in New Indictment* . Retrieved 06 14, 2019, from https://www.wsj.com/articles/abraaj-founder-arif-naqvi-accused-of-misappropriating-more-than-250-million-in-new-indictment-11560458572