



**Press Release**  
**03.08.2025**

Directorate of Enforcement (ED), Headquarters Office, New Delhi has conducted search operations on 01<sup>st</sup> and 02<sup>nd</sup> August 2025 at multiple locations in Delhi, Mumbai, Gurugram, Ludhiana, Ahmedabad, Bhavnagar, Bhuj, and Kolkata under the Prevention of Money Laundering Act (PMLA), 2002. The search operations are part of an ongoing investigation into the illegal profits made by certain entities/persons by indulging in front-running trade activities in scrips traded by Axis Mutual Fund during the period 2018 to 2021.

ED initiated investigation on the basis of an FIR registered by Mumbai Police in December 2024, which alleged that the accused, Viresh Gangaram Joshi, the then Fund Manager of Axis Mutual Fund exploited confidential information on the trades to be executed on behalf of Axis Mutual Fund, to preemptively trade stocks, generating substantial illicit gains. The accused has, thereby, cheated the investors of Axis Mutual Fund which holds Assets under management of more than Rs. 2 Lakh Crore.

The accused had utilised a terminal in Dubai to punch the front running trade orders through mule trading accounts obtained from various brokers. In addition to the accused Viresh Joshi, investigation has revealed that many other traders/brokers had also misused the advance inputs on Axis Mutual Fund Trades and indulged in front running to generate illicit trade profits, which is nothing but Proceeds of Crime (POC). The POC generated by various traders/brokers, as identified till date by ED is more than Rs. 200 Crore, which could be much higher. The proceeds of the fraud were funnelled through multiple shell entities and bank accounts beneficially owned by the accused persons/entities and their family members, which is under investigation by ED.

Front-running refers to an unethical and illegal practice in the securities market where brokers or traders execute orders for their own benefit using advance knowledge of pending client orders. This malpractice compromises market integrity and disadvantages other investors.

During the search operation, ED has frozen POC in the form of shares, mutual funds and bank balance to the tune of Rs. 17.4 Crore. The mastermind behind the scam Viresh Gangaram Joshi, the then Chief Dealer of Axis Mutual Fund has been arrested on 02.08.2025 under the provisions of PMLA, 2002 and produced before the Competent Court which has granted custody to ED till 08<sup>th</sup> of August 2025 for further investigation.