EXHIBIT D

Part 2
publishing both reports on or mere days after the dates of Asensio’s short reports, and publishing its second report a day before Eros’ August 2016 put options were set to expire.

a) The June 9 Article On Seeking Alpha

193. On June 9, 2016, defendant Spotlight Research published a 42-page manifesto on Seeking Alpha titled “EROS’s Secret: Undisclosed Related Party Links In The UAE?” (the “June 9 Spotlight Research Article”). This article echoed Mangrove’s (as “Alpha Exposure”) and Asensio’s prior short reports on Eros Now by claiming, among other falsehoods, that Eros’ Audit Committee Investigation lacked validity; Spotlight Research had “uncovered” undisclosed related parties; and Eros’ overstated its UAE revenue growth and Eros Now’s user counts. Each of Spotlight Research’s specious accusations were utterly false.

i. False Allegations About The Audit Committee Investigation

194. Spotlight Research’s first hit piece, echoing Asensio’s short report published just days before, opened by attacking the validity of the Audit Committee Investigation.

195. Spotlight Research rehashed Asensio’s meaningless semantic quibble between an “internal review” and an “internal investigation.” Spotlight Research attempted to buttress its investigation-versus-review dichotomy by identifying five purported “red flags” with the Audit Committee Investigation “indicating that [it] may have not been a serious investigation.” However, each “red flag” was a red herring. As discussed above, the Audit Committee Investigation was thorough and independent. Spotlight Research’s blunderbuss assault on the Audit Committee Investigation was thus false and misleading.

ii. False Allegations About Related Parties

196. The June 9 Spotlight Research Article then alleged that Eros’ “inconceivabl[e]” UAE revenue growth stemmed from Eros’ undisclosed related parties. Spotlight Research
asserted that it had “uncovered eleven undisclosed potential related party entities” that are potentially “linked” to an Eros customer in the UAE named Globus ENT FZE (“Globus”), claiming that Globus “may be a key missing piece in the UAE revenue recognition puzzle.”

197. Spotlight Research’s accusations were factually unfounded and based on manipulation of facts and data to fit its false narrative. To “link” Globus to Eros, Spotlight Research initially relied on the fact that Globus was formed in 2007, “just after” the formation of certain Eros subsidiaries in June 2006. Spotlight Research also leaned on the claims that Eros was the first licensing partner listed on Globus’ website; and Globus’ founder served on the boards of eleven companies that also contained current or former Eros board members. Contrary to Spotlight Research’s assertions, these purported “coincidences” do not show that Globus and Eros were undisclosed related parties (they were not).

198. Spotlight Research also focused its attention on a purported relationship between Eros and Rana Productions Limited (“Rana”), a British company whose shares are allegedly owned by an Eros customer. Spotlight Research, asserting that Rana is another unreported related party of Eros, claimed that “Rana [...] recognizes material amounts of UAE revenue from Globus, but never collects much of the accounts receivable.” Spotlight Research then dove into Rana’s financials in order to try to “link” it to Globus with the goal of “linking” both Rana and Globus to Eros, asserting that Eros’ UAE revenue in 2012-2013 is almost the same as the total revenue Rana generated in that same period from uncollected UAE receivables. Spotlight Research’s conclusion, however, was pure speculation. Indeed, there was no evidence tying Rana’s uncollected receivables to Eros. Spotlight Research simply twisted raw numbers into a conclusion that fit its narrative.
199. Spotlight Research’s related party accusations thus comprise nothing more than a series of tenuously linked allegations with zero indicia of reliability from a self-interested investor with an admitted short position in Eros.

iii. False Allegations About Eros Now

200. Continuing with its kitchen sink strategy, Spotlight Research took aim at the number of Eros Now registered users by parroting false allegations previously published by Mangrove and August, as “Alpha Exposure,” and their co-conspirators. Spotlight Research asserted that data from App Annie and other websites shows that Eros inflated the number of registered users accessing and interacting with Eros Now. Spotlight Research further posited that the term “Registered User” is “meaningless and misleading” because it has “no meaningful correlation with users that can actually be monetized through subscriptions or advertising since the vast majority of them related to the unrelated Techzone acquisition and cannot be easily migrate [sic] to Eros Now.”

201. Spotlight Research’s recycled refrain that Eros overstated the Eros Now user counts were false when “Alpha Exposure” first promulgated them; remained false when the Audit Committee, with Skadden’s aid, flatly debunked them after a five-month investigation; and continue to be false and misleading for the same reasons as before.

b) The August 18 Article On Seeking Alpha

202. On August 18, 2016, Spotlight Research published another patently false article on Seeking Alpha, titled “Globus: EROS’s Elephant In The Room” (the “August 18 Article”), one day before Eros’ put options were set to expire that month. The August 18 Article, which rehashed the supposed issues identified in its June 9 Article, was another blatant attempt to demean Eros to depress its stock price. Spotlight Research’s transparent motive was obvious from its conceded “surprise[] that EROS’s stock is up 45%” since its June 9 Article.
203. With its short position in serious jeopardy, Spotlight Research was forced to once again spread misinformation and untruths about Eros. In addition to regurgitating the fabricated allegations set forth in the June 9 Article, Spotlight Research also attacked respected "sell side" analysts that were optimistic about Eros’ future.

204. The August 18 Article began by purporting to present "strong evidence" that Globus and Rana Productions are undisclosed related parties of Eros that likely account for Eros’ "ballooning" UAE revenue. Spotlight Research then walked through the supposed "evidence" that purports to link Eros to Globus and Rana Productions. Once again, Spotlight Research’s specious allegations were unsupported by fact and are based on mere speculation. The August 18 Article did not present additional or new support for its preposterous theory.

205. Spotlight Research next turned to its so-called "evidence" that Rana Productions’ uncollected accounts receivable from Globus account for Eros’ UAE revenue. As before, Spotlight Research simply restated its conclusory and unsupported allegations originally set out in the June 9 Article. The August 18 Article added no color to its baseless attacks, and for the reasons stated above, such allegations were wholly false.

3. Orange Peel Investments Echoes Asensio’s And Spotlight’s Lies

206. Further perpetuating Defendants’ concerted short and distort scheme, the anonymous “Orange Peel Investments” published a pair of reports on Eros in June and July 2016, which amplified the disinformation and false innuendo that Asensio and Spotlight Research spewed. In addition, it attempted to corral investors into taking a short position in Eros, which further exposed the manipulative motives that drove Defendants’ smear campaign.

a) The June 9 Article On Seeking Alpha

207. On June 9, 2016, Orange Peel Investments, in unison with Asensio’s and Spotlight Research’s articles published that same day, disseminated its own short report against
Eros (the “June 9 Orange Peel Investments Article”). Orange Peel Investments’ debut article, titled “New Flags About Eros Raised,” identified “Parke Shall” as the author.

208. The June 9 Orange Peel Investments Article, styled as a neutral analyst report, hyped and aimed to lend credence to the specious accusations that short-sellers had spread in prior publications and to dissuade investors from buying Eros’ stock. Orange Peel Investments first invoked and linked to Alpha Exposure’s Seeking Alpha articles, and then pivoted to more recent allegations, broadcasting that “[t]oday we’re going to reiterate our previous stance of avoiding the company based on new allegations made by well known short-seller, asensio.com. . . . [W]e don’t think anytime is a good time to own Eros.”

209. To bolster its baseless conclusion, Orange Peel Investments parroted the false claims that Asensio spewed about Eros’ audit and the scope of Skadden’s role in the Audit Committee Investigation, deeming them “serious questions.” It also attempted to explain away Eros’ stock appreciation, falsely claiming that Eros “is still not valued appropriately.” But Orange Peel Investments did not offer any factual support for its disinformation that Eros was overvalued, instead basing its false claims on vague speculation surrounding Eros’ receivables that Orange Peel Investments itself struggled to articulate, much less defend.

210. Orange Peel Investments further claimed that Eros “cannot generate cash consistently.” This was false. According to Eros’ consolidated statement of cash flow in its FY 2016 annual report, Eros generated net cash from operating activities of $234.6 million, $118.0 million and $132.5 million for the years ending March 2016, 2015 and 2014, respectively.

b) The July 4 Article On Seeking Alpha

211. On July 4, 2016, Orange Peel Investments published yet another short thesis disguised as a neutral analyst report, titled “Eros Stock Bump With Lack of Cash Generation
Makes It Attractive Short” (the “July 4 Article”) and identifying “Parke Shall” and “Thom Lachenmann” as the authors.

212. The July 4 Article, once again, attempted to lend credence to both Asensio’s and Spotlight Research’s false accusations. For instance, after reciting each of the false “red flags” Spotlight Research had fabricated, Orange Peel Investments used those false allegations as a springboard for its claim that “[w]hen a company like EROS starts to see its stock tick higher, despite there being no tangible refutation of serious allegations, we start to look at it as a potential longer-term short. . . . [W]ith the company’s current valuation, we believe the case for holding short over the course of the long term makes sense.” Such false and misleading assertions revealed more about Orange Peel Investments – namely, its role as a hyper in Defendants’ conspiracy – than it did about Eros.

4. Defendants Amplify Their Lies On Twitter

213. Defendants, in close coordination, amplified the baseless concerns they touted in articles and blog posts using Twitter, in an effort to further their concerted, collusive scheme to defame, disparage and thwart the prospective and ongoing business relationships of Eros. Continuing their practice of employing anonymous aliases, Defendants published a series of negative posts about Eros on Twitter to showcase their lies, and to draw the attention of a wide swath of investors and regulators to Defendants’ falsified smoke.

214. For instance, Asensio spouted false and misleading accusations on Twitter, including the following:

- June 22, 2016: “$eros refuses to provide ANY details of deal with [entertainment company] Zee. Sources desperate sell out to gain credibility; still nada on UAE counter parties”

- August 12, 2016: “Investors should not read things into the SEC at $EROS. The SEC has its enforcement agenda and DISCRETION.”
August 12, 2016: “There something about $EROS again!”

August 18, 2016: “Investors in $EROS should question themselves. ‘Who is REAL on OUR side and protecting OUR interest here?’”

Moreover, the Asensio Defendants fabricated Twitter aliases to further reverberate their false, misleading and highly offensive themes. One such alias, “Forest Gump,” joined Twitter in June 2016, at the precise time period Defendants re-commenced their short and distort scheme. Forest Gump has only ever published 12 tweets. All of his tweets except for one were negative commentary on Eros; in his standalone non-Eros tweet, Forest Gump reached out to anonymous short-seller “Unemon” with the cryptic request, “Can you follow please.” A sample of Forest Gump’s 11 Eros-related tweets, which all respond to pro-Eros tweets, reveals that he attempted to spread salacious falsehoods about Eros’ management and to defend Asensio under the guise of an independent twitter user.

Further, an anonymous user acting under the guise of the alias “Market Farce” re-surfaced on Twitter to hype Asensio’s and other conspirators’ lies, including during phases when those defendants laid dormant. Market Farce’s false and defamatory tweets include, among other fictions, the baseless assertion that Eros’ accounting practices warrant SEC scrutiny:

- June 24, 2016: “Let’s continue this discussion once $EROS [financial] results come out, if they ever come out with ... the [Outside] [A]uditor”
- June 24, 2016: “@SEC News @SEC Enforcement will soon uncover what’s [sic] wrong at $EROS... you should reach out to them... Good luck!”
- June 24, 2016: “you dope. $EROS has fallen from 30+ to low teens... on it’s [sic] way to #ZERO... enjoy this movie...”
- November 11, 2016: “So the only ethical individual on the board of $EROS has quietly left the building. This is big. Also receivables balloon to $241mm!”
November 11, 2016: "Have the employees of $EROS in India been paid for the past 2 months? Why is the Indian listed sub trading at all time lows?"

November 11, 2016: "I still believe that the reported cash on $EROS balance sheet is non-existent @SEC_Enforcement"

December 1, 2016: "When is @SEC_Enforcement going to investigate $EROS? Receivables have never been higher at $241mm & the cash is probably non-existent..."

E. Mangrove And GeoInvesting Spur A Third And Ongoing Wave Of Attacks

217. Defendants’ second wave of short attacks in 2016 bred baseless skepticism about Eros and thus paved the way for yet another bout of attacks that began in March 2017 and continues to this day.

218. This newest stage of Defendants’ conspiracy sees the re-emergence of Mangrove and August, under the guise of “Alpha Exposure,” in collusion with their new mouthpieces: the GeoInvesting Defendants, the ClaritySpring Defendants and a cadre of anonymous accessories, such as "Unemon" (John Doe No. 5) and "Hindenburg Research" (John Doe No. 6).

219. In their current attacks, Defendants repackage Asensio’s false and incendiary lies, including the tired refrain that Eros’ financial condition was on the verge of catastrophe, made fraudulent disclosures, engaged in or had close ties to those who engaged in accounting fraud and money laundering, misrepresented the user counts for one of Eros’ products (an on-demand online entertainment service called Eros Now) and carried out sham and illegal transactions.

220. Not coincidentally, an unusual and dramatic uptick in the volume of put options purchased by short-sellers occurred right as Defendants instigated their newest wave of attacks against Eros in March 2017. That month, a staggering 14,319 put options were purchased – a nearly 800% increase over the typical volume, 1,591. On information and belief, Defendants purchased most or all of these 14,319 put options, which enabled Defendants to sell more than
1,431,900 shares of Eros stock (which had an opening price of $11 per share) at pre-set prices.

221. Subsequent months yielded similarly large put options purchases. In April, May and June 2017, respectively, 4,770, 7,902 and 8,640 put options on Eros’ stock were purchased by short-sellers – nearly 300%, 500% and 550% the normal average volume bought per month.

222. These substantial short positions enabled Defendants to procure massive profits from any downward movement in Eros’ stock over the period of their short and distort scheme.

1. **The GeoInvesting Defendants Instigate The Newest Wave Of False Accusations**

223. In March 2017, the GeoInvesting Defendants, seizing on the vulnerability that its co-conspirators manufactured, commenced a third wave of false, misleading and highly offensive accusations against Eros. Through a series of three initial articles, the GeoInvesting Defendants hurled a host of false, misleading allegations against Eros, including accusations that Eros was on the verge of financial catastrophe, itself engaged or had close ties to those who engaged in accounting fraud and money laundering, misstated Eros Now’s user counts and executed sham and illegal transactions. These false accusations damaged Eros’ reputation, disparaged its services and products and tortiously interfered with its existing and prospective business deals, including a significant U.S. Dollar Reg-S bond offering that Defendants impeded and then sought to derail even further.

224. The GeoInvesting Defendants drove traffic to their March 2017 articles, all of which were published on GeoInvesting’s website (https://geoinvesting.com) and “[c]ontributed” by “FG Alpha Management,” by featuring summaries or linking to full versions of each on their Seeking Alpha blog (https://seekingalpha.com/author/the-geoteam/instablogs) and by publishing false tweets that hyped the articles.
a) **The March 8 Article On GeoInvesting.com**

225. On March 8, 2017, the GeoInvesting Defendants incited the current spate of attacks with an article titled, “Former Eros Co-Producer Accuses Company of “Channeling Money to Family Members” (the “March 8 Article”). It is no coincidence that March 8, 2017 also saw the largest number of put options purchased on a single day in all of 2016 and the first half of 2017: 3,175 options, nearly 200% of the normal average volume for an entire month.

226. In the March 8 Article, GeoInvesting categorizes the false, misleading and highly offensive accusations in the March 8 Article into three purported “red flags” that accuse Eros of funneling money to the founding family through related party transactions; making false statements to investors on the Company’s February 21, 2017 earnings call; and improperly surging its Eros Now user count through, then deceptively concealing the termination of, its partnership with a Chinese cell phone company, LeEco.

   i. **False Allegations About Related Party Transactions**

227. First, GeoInvesting falsely claims that it unearthed “stunning” and “explosive evidence” from a “former Eros [] co-producer and Indian filmmaking expert.” GeoInvesting claims that such “evidence” “validate[s] numerous outstanding allegations of potential fraud and misrepresentation made by short-sellers over the course of the last two years.”

228. To support this false accusation, the March 8 Article first regurgitates Alpha Exposure’s *(i.e., Mangrove’s)* erroneous claims of self-dealing and boasts that GeoInvesting has “uncovered” facts that comprise “yet another, even more powerful echo of self-dealing allegations coming from an insider in the industry.” The March 8 Article – echoing prior short-sellers’ false and debunked claims – alleges that “NextGen is simply being used as a conduit to siphon money from company shareholders into the coffers of the Lulla family.”
Piggybacking on these rehashed claims, the March 8 Article proceeds to lodge related, and equally groundless, accusations that Eros “can’t seem to decide exactly how [much] money they’ve paid themselves through NextGen” and a “$10 million swing in the amount of disclosed self-dealing raises serious questions about the accounting protocols surrounding these transactions and what the true numbers look like.” GeoInvesting, insinuating both that the “criticisms” have legs and the Company is turning a blind eye to them, also alleges that the Company has been “ramping back up” its related party transactions with NextGen.

In reality, GeoInvesting’s allegations that Eros is channeling money to insiders through related party transactions is – as it always has been – false. Eros has disclosed all related party transactions in every single SEC filing since its IPO in 2013. Eros has also explained, in every filing, that certain related party transactions allow it to achieve more favorable terms than would otherwise be available and confer material benefits on Eros’ business. Finally, the “evidence” GeoInvesting falsely deems as “explosive” hinge entirely on unsubstantiated allegations made by the plaintiffs in a putative securities class action as early as July 2016. That GeoInvesting sat on this stale information for over eight months – only to raise it on the same day that shorts buy a record number of put options – lays bare Defendants’ intent to distort Eros’ stock price through the calculated dissemination of falsehoods.

ii. **False Allegations About Eros’ Earnings Call Statements**

Second, the March 8 Article attacks Eros’ statements on a February 21, 2017 earnings call, falsely claiming that Eros raised numerous “red flags” that erode its financial viability and accounting integrity.

The March 8 Article purports that Eros has misstated its revenue growth and Eros Now user growth. To bolster this false hypothesis, the March 8 Article attempts to poke holes in Eros’ reported revenue with a myriad of conclusory critiques against Eros’ non-Indian/Europe/
North America ("Rest of the World" or "RoW") revenue data, including that they contain "flagrant anomalies," are "highly dubious" and "like many of Eros’ numbers, simply don’t make sense to us." From these alleged gaps in Eros’ RoW data, the March 8 Article leaps to the farfetched conclusion that “[a]t the end of the day, it simply doesn’t seem like Eros is showing any signs of refuting any short seller allegations made over the last year, nor do they show signs of a fundamental turn around in their business. The most recent quarter leaves us with far more questions than answers.”

233. These accusations are false and hinge on a fundamental misunderstanding of Eros’ business. In Eros’ FY 2017 Q3 filing, on the same page where GeoInvesting’s “revenue by customer” data is derived, Eros explains point-blank that “[w]e distribute our film content to the Indian population in India, the South Asian diaspora worldwide and to non-Indian consumers who view Indian films that are subtitled or dubbed in local languages.” Thus, it is not only credible, but entirely expected, that Eros has a high RoW revenue, because its films are enjoyed by consumers in countries all across the non-Western world, including in other South Asian countries such as Bangladesh, Sri Lanka or Pakistan, and in non-South Asian countries that are increasingly consuming a higher number of Bollywood film content in local languages.

iii. False Allegations About Eros’ LeEco Partnership

234. Third, the March 8 Article falsely accuses the Company of “sweep[ing] under the rug” supposedly “extremely important questions about the details of the company’s pre-paid ErosNow bundle on LeEco phones.” GeoInvesting proclaims that it “call[s] into question [data] provided by the company” on the number of Eros Now’s paid subscribers, and speculates that Eros was improperly “surging” the number of Eros Now paid subscribers by counting the number of LeEco subscribers. In self-contradictory fashion, GeoInvesting bases its allegations of Eros’ dishonest reporting on Eros’ own disclosures, relying on a “footnote” in Eros’ press
release to bolster its baseless inference. The March 8 Article also claims, falsely, that Eros purposefully misled its investors about the alleged termination of its partnership with LeEco.

235. Both accusations related to LeEco are false. As to the accusation that Eros was “surging” its Eros Now paid subscribers counts, Eros disclosed in its FY 2016 annual report that Eros Now is integrated on LeEco smart phones for the Indian market with a one-year Eros Now subscription pre-bundled on LeEco handsets, while LeEco was running an aggressive Eros Now marketing campaign in India. Thus, Eros cannot be improperly “surging” its Eros Now subscriber numbers by including those LeEco customers who are, in fact, subscribers of Eros Now. Also, the footnote from Eros’ press release that GeoInvesting relies on only confirms Eros’ transparency, as it expressly defines a “pa[id] subscriber” to include consumers who gained access to Eros Now as part of a prepaid bundle.

236. As to the accusation that Eros concealed its termination of the LeEco partnership, if any such termination did occur, it would have been immaterial to Eros’ business. The Company’s partnership with LeEco only pertained to Eros Now and thus did not qualify as a major contributor to Eros’ revenue. Further, as Eros disclosed in its FY 2016 annual report, Eros’ partnership with LeEco was not singular or unique, as Eros also collaborated with Micromax to pre-bundle Eros Now on smart phones.

237. Both LeEco-related accusations underscore the desperation of GeoInvesting in its smear campaign against Eros, as it often nit-picks insignificant minutiae and casts them as serious problems. Here, Eros disclosed that Eros Now’s subscribers comprise less than one million people, which is a fraction of Eros Now’s total user count of 44 million; and that Eros Now is still in the infant stages of monetization.
238. In its “conclusion” section, the May 8 Article promulgates a hyped-up, exaggerated and false prognosis. These three, isolated “red flags,” the March 8 Article proclaims, are “critical questions” that prove the short-sellers’ allegations; that Eros is experiencing “sharp deterioration when it comes to its financial fundamentals”; that “looming questions” remain on whether Eros can collect on its accounts receivable and where Eros is deriving its revenue”; and that Eros “may not be able to ever achieve a cash flow positive state.”

Eros’ financial statements flatly contradict these ominous accusations regarding Eros’ financial condition. For instance, Eros’ FY 2016 annual report shows that the Company had over $274 million in total revenue and a net increase in cash and cash equivalents of over $30.8 million for the year ending March 2016.

b) The March 16 Article On Geoinvesting.com

239. On March 16, 2017 – one day before many put options on Eros’ stock, including 2,989 of the put options purchased on March 8, were set to expire – the Geoinvesting Defendants followed up on its defamatory, disparaging March 8 Article with a second and even more inflammatory short report titled, “Eros’ Failed Bond Offering, S&P Downgrade, Could Signal a Very Real Liquidity Crisis” (the “March 16 Article”). Geolnvesting published the March 16 Article to deflate Eros’ reputation and financial condition and to enrich themselves and their short-selling confederates.

240. The March 16 Article falsely claims that the “wheels are falling off” in “a stunning way” at Eros – namely, Eros is “approaching a catastrophic liquidity crunch” and may become insolvent. In an alarmist tone, a common thread among Geolnvesting’s short reports, the March 16 Article makes a slippery slope allegation that because Eros postponed its bond offering, it cannot possibly “deal with [its] revolving credit line.” Specifically, the March 16 Article makes unfounded assertions that Eros “can’t seem to consistently generate cash on its
own” and “[s]hort of a hasty dilutive equity offering that would theoretically have to dilute shares by high double digit percentages and destroy the stock price to just meet this year’s obligations, we think [Eros] is quickly running out of options.”

241. This is baseless. Again, as of the date of Eros’ FY 2016 annual report (the most recent annual report at the time of the March 16 Article), Eros had over $274 million in total revenue and a net increase in cash and cash equivalents of over $30.8 million over the prior year for the period ending March 2016, for a total of over $182.7 million in cash and cash equivalents – which hardly signifies that Eros “cannot . . . generate cash” and is “running out of options.”

242. The March 16 Article proceeds to attack Eros for purportedly letting the date of its revolving credit facility lapse, deeming it “remarkable” that Eros “would simply let the termination date of its credit agreement pass without making a disclosure about how they would deal with it.” Such fear-mongering is unfounded. As the March 16 Article concedes later in the report, the market learned that Eros’ maturity date was extended until the end of March: “S&P analysts [] shared that the company had paid $20m of its revolving facility, with the balance of approximately $95 million extended until the end of March.” (emphasis in original).

243. The March 16 Article then attacks Eros’ postponed bond offering, which the GeoInvesting Defendants had spurred and now seek to exploit. To suggest that Eros’ delayed offering means doomsday for the Company, the March 16 Article misleadingly questions Eros’ stated reasons for its delayed bond offering as “highly dubious,” because Eros has an “[un]healthy relationship with the provider of their revolving credit facility.”

244. GeoInvesting has no basis for these specious accusations. To the contrary, nothing demonstrates that Eros had an “unhealthy relationship” with the providers of its credit facility, who on April 1, 2017 extended that agreement’s maturity date by six months.
c) **The March 29 Article On Geoinvesting.com**

245. On March 29, 2017, the GeoInvesting Defendants, continuing their flurry of false and misleading accusations, published an incendiary article on Eros, titled “Eros Associated Execs Admit on Hidden Camera They Will Launder Money Through Films” (the “March 29 Article”). The March 29 Article proclaimed that Eros has “close ties” with money launderers caught on hidden camera in an alleged exposé from 2012; should be investigated by regulators; and is beleaguered with a credit crisis driving Eros toward a “toxic financing death spiral.” The GeoInvesting Defendants, who sought to, in their own words, “elevate” their accusations against Eros, published this third article to further deflate Eros’ reputation and financial condition and to enrich themselves, the other defendants and their short-seller confederates.

246. The March 29 Article sets forth the fiction that “[a] CNN India exposé [sic] catches four Eros International [] associated director/producer/writers on hidden camera discussing methods for laundering money through their films.” The March 29 Article then accuses Eros of “work[ing] closely” with and having “close links” and “direct ties” to all five individuals, and of “[buying] a 50% interest in one film producer’s company in 2016, claiming to have a ‘special association’ with him and his company.”

247. GeoInvesting’s sensationalist claim that Eros was closely associating itself with money launderers twists reality. First, this alleged media “exposé” – *aired five years ago* – had nothing to do with Eros. Not once did it even vaguely suggest that Eros was involved, or that Eros’ particular collaborations with the individuals featured in the CNN India report were in any way tainted by alleged money laundering. Further, these stale allegations against individuals who consist of some of the most high-profile players in the Indian entertainment industry have never been substantiated. The individuals were never charged, nor have they been subject to any publicly known investigations.
248. Deploying the slippery slope scare tactics that coursed through prior short reports, the March 29 Article goes on to falsely claim that the “details of this type of money laundering could go a long way in explaining many of the critical questions raised about EROS over the last few years.” The March 29 Article even falsely claims that unspecified “others” have been “alleging outright that EROS is involved with money laundering,” and that even though the Geolnvesting Defendants, purportedly, are not making such allegations (at least not “outright”), they “want to present a slate of circumstantial evidence spanning the course of the last five years that we think should continue to give EROS investors perhaps their most significant cause for concern yet.”

249. Among these unfounded “cause[s] for concern,” the March 29 Article claims that the purported CNN India report somehow “raises serious questions about Eros’[] use of numerous offshore asset havens and its byzantine entity structure” to promote tax efficiency. In an effort to rehash and weave in prior short-sellers’ tired accusations, the March 29 Article also alleges that the purported CNN India report raises “[a]dditional questions” about Eros’ “tumultuous financial controls,” including “(a) the use of at least 9 different auditors (b) 12 auditor resignations over the past 4 years and (c) insider allegations of the use of dummy production deals to channel assets to company family members.”

250. These allegations are false for many reasons. For one, the CNN India report never mentions Eros and has nothing to do with Eros. In any case, the accusations in the March 29 Article are also substantively false and are refuted by Eros’ financials. For instance, Eros’ Outside Auditor has been its only independent outside auditor since it IPO in 2013. Further, while an international affiliate of the Outside Auditor resigned before Eros’ IPO, Eros made crystal clear in its Prospectus filed with the SEC at the time of its IPO that its resignation was not
a result of any disagreements with Eros on any matter concerning accounting principles or practices, financial statement disclosure, or auditing scope and procedure. Finally, the Audit Committee, supported by Skadden’s investigation, had rejected the bald fiction that Eros was using supposed “dummy” deals to siphon money to insiders.

251. The March 29 Article also promulgates the outrageous assertion that “[i]n order to protect U.S. investors, today we are calling for a full and thorough investigation of [Eros].” It concludes with a self-serving “short thesis” that “[g]iven the weight of its upcoming obligations we estimate that the company would have to dilute current shareholders by over 40% to sustain its operations for the next year. These equity issuances, if they occur, could be the beginning stages of what we believe to be a toxic financing death spiral for the company. We believe these concerns continue to make EROS a fantastic short if regulators don’t wind up getting to the company and asking far more pointed questions then [sic] we have, first.”

252. To this day, however, Eros has neither “dilute[d] current shareholders by over 40% to sustain its operations for the next year,” nor plunged into any “toxic financing death spiral.” In addition, GeoInvesting’s urging for “a full and thorough investigation” is nothing more than a transparent attempt to create hysteria and instigate shareholder uncertainty.

* * *

253. The GeoInvesting Defendants – which admittedly owned a short position in Eros stock – profited from the share price declines that were caused by the false, misleading and highly defamatory accusations contained in their March 8, March 16, and March 29 articles.

2. Anonymous Short-Seller “Unemon” Doubles Down On GeoInvesting’s Short Reports

254. Following GeoInvesting’s initial short reports in March 2017, Unemon (John Doe No. 5), an admitted short-seller, published his own slew of four false, misleading, defamatory
and disparaging reports on Eros, all of which Unemon disseminated through his Seeking Alpha blog in either full or excerpted form.

a) The March 30 Article On Seeking Alpha

255. On March 30, 2017, just one day after the GeoInvesting Defendants published their outrageous accusations about Eros’ alleged ties to money launderers, Unemon debuted a false, misleading and highly offensive short report titled, “EROS Is Everything But The Netflix Of India. I Honestly Believe This Company Is Going Down!” (the “March 30 Article”). In the March 30 Article, Unemon repackages the groundless and debunked allegations that short-sellers had lodged against Eros in Fall 2015.

256. Citing a six-month old statement on an earnings call by Eros’ management, Unemon claims that while management seemed “optimistic” about Eros Now, “Netflix is the real winner in India.” Unemon continues, “Simply by comparing Appannie Data for NETFLIX in the U.S. and EROS NOW in India makes it clear how EROS had been unable to compete with Netflix even at Home. DATA SEEM TO CONFIRM THAT NETFLIX IS EATING EROS ALIVE IN ITS OWN HOME MARKET (INDIA)” (emphasis in original).

257. Unemon hangs his dramatic claims by the thin and feeble thread of App Annie data, echoing Mangrove’s unfounded accusations about Eros Now’s user counts in Fall 2015 (see above, at ¶¶ 109-110). But App Annie can only capture a small sliver of Eros Now’s total user count. App Annie measures the number of times a certain “app” is downloaded. By contrast, a prospective customer of Eros Now can become a registered user and thereafter access and use the platform without ever having to download the Eros Now “app.”

258. Indeed, Unemon’s falsehoods about Eros Now turn a deaf ear to Eros’ numerous disclosures that its users do not need to download the Eros Now “app” to register for, access or view Eros Now’s content. Thus, Unemon’s decision to republish such plainly false accusations

66
reveals that he will say anything to erode Eros’ reputation and financial condition, to perpetrate Defendants’ corrupt scheme.

b) The April 6 Article On Seeking Alpha

259. On April 6, 2017, a mere eight days after his initial post, Unemon attacked again by publishing a blog post on Seeking Alpha titled “Eros Worldwide Pledged Shares In Eros Intl Media As Collateral Last Week: Liquidity Problems And Lack Of Alternatives Never Seemed So Real To Me.” (the “April 6 Article”), which, parroted GeoInvesting’s March 2017 attacks by falsely accusing Eros of being saddled with a liquidity crisis.

260. The April 6 Article asserts that Eros’ Dubai subsidiary, Eros Worldwide FZ LLC (“EWW”) “pledged as much as 4.67% of Eros International Media Limited” (Eros’ Indian subsidiary, or “EIML”) “to three (3) lenders between Mar 27, 2017 and Mar 31, 2017,” falsely casting these transactions as proof of Eros’ non-existent “liquidity crisis.” This is highly misleading and demonstrates Unemon’s desperate attempt to create smoke where none exists. Eros is not engulfed in a “liquidity crisis,” and its sale of a minority stake in EIML was a temporary measure to raise money while it refinanced its debt.

261. Unemon also notes misleadingly that Eros pledged shares of EIML as collateral for loans to three companies that “seem[ ] ‘lender[s] of last resort to me’. [sic]” Unemon relies on this false and misleading statement to bolster his prognosis that Eros’ financial status is “SIMPLY PUT … SCARY! (at least to me).” True to form, Unemon does not offer a single rationale for his false and conclusory accusation that Eros’ lenders are “of last resort,” second-rate or shoddy.

c) The May 10 Article On Unemon.com

262. Unemon followed on the heels of his two blog posts by publishing an article titled, “Liquidity Crisis at Eros International Is Real: Here Comes the Proof!” (the “May 10
A total of 1,451 put options were purchased within the prior three days (i.e., from May 8 to 10, 2017), representing over 91% of the normal average volume for an entire month and reflecting approximately $1.58 million in Eros’ stock.

263. Unemon opens his May 10 Article by tipping his hat to fellow conspirators, Mangrove and August (as Alpha Exposure) and Asensio, for reporting “widespread fraud” at Eros. He then swerves sharply into the bald, unfounded assertion that “RECENT DEVELOPMENTS LEAD ME TO BELIEVE WE ARE NOW AT THE LAST CHAPTER OF EROS JOURNEY: EROS SEEMS TO BE RUNNING [sic] OUT OF MONEY!” Unemon’s hype is false. As Eros disclosed in its April 3, 2017 press release, in addition to extending its credit facility agreement by six months to September 30, 2017, Eros is in advanced stages of executing multiple long-term financing agreements to eventually replace the credit facility.

264. Among a string of false, misleading and alarmist assertions, Unemon claims that in late-March 2017, Eros had to postpone the release of its high-profile film, Sarkar 3, due to alleged “liquidity problems.” This was plainly false. Eros postponed Sarkar 3 due to unforeseen delays in post-production work – which, as Eros has disclosed repeatedly in its financial reports, can occur due to the uncertainties involved in film development and production.

265. In the same vein, Unemon also purports to have “reached out to 2 contacts active in the entertainment industry in India. They both expressed their belief that EROS is experiencing liquidity problems at the moment.” Unemon does not name or otherwise describe these two supposed contacts. Nor does he indicate when he supposedly “reached out” to them; or even attempt to adduce any basis for their erroneous “belief[s].”

266. Unemon also bases his hollow cries of “liquidity problems” on the claim that Eros is liquidating its investment in EIML, which would leave the Company’s shareholders with the
"inferior" Eros Now. Denigrating Eros Now, Unemon falsely claims that—according to his alleged sources and a crude comparison of Eros Now with Netflix, Amazon Prime and Hotstar—Eros Now has "failed to gain any meaningful traction in India [as] young generations are simply not using it" and "seems to be in a down-trend."

267. Unemon further alleges, falsely, that Eros is obscuring the alleged "recent changed [sic] in the ownership structure" involving EWW's sale and pledge of shares in Eros International Media, by hiding the transaction from its U.S. investors. Again, Unemon's accusation is highly misleading. Unemon himself relies on Eros' public disclosures in India, which any U.S. investor interested in the transactions at issue has access to.

d) The June 28 Article On Seeking Alpha

268. Unemon, in clockwork fashion, published his fourth monthly hit piece on Eros on June 28, 2017 titled, "EROS: Desperately Raising Cash And At The Same Time Buying Assets From Insiders. How Messed Up Is That? IMO: A LOT!" (the "June 28 Unemon Article"). On June 27, 2017, one day before Unemon's June 28 Article, the largest put options trading position in June 2017 (encompassing 1,030 options) was made. Not coincidentally, a total of 2,411 put options were purchased by short-sellers that day, representing nearly 152% of the normal average volume for an entire month and reflecting over $2.86 million in Eros' stock.

269. In addition to rehashing his prior allegations that Eros is saddled with a liquidity crisis because EWW sold and pledged more shares in EIML, Unemon takes a page out of Mangrove and GeoInvesting's playbook by accusing Eros of self-dealing through related party transactions. Specifically, Unemon claims that "EROS INTERNATIONAL FILMS PRIVATE LIMITED (a Subsidiary of EROS) is now buying a property that belongs to Mr. Sunil Lulla and
his Relative Mr. Kishore Lula for approximately $8.49m - $8.80m (Rs. 53 crores to Rs 55 crores),” and he taunts, “EROS insiders in need of liquidity too?”

270. Unemon’s insinuation that Eros is self-dealing to the Lulla family is false. As Eros has disclosed, these related party transactions allow the Company, including its subsidiaries, to achieve in many cases more favorable terms and confer material benefits on the Company – disclosures that the Audit Committee Investigation confirmed as proper.

3. The GeoInvesting Defendants Resume Their Attacks To Disrupt Eros’ Annual Report Filing

271. After a 14-week hiatus, GeoInvesting re-emerged in July 2017, precisely two weeks before Eros was scheduled to release its FY 2017 annual and Q4 financial results. GeoInvesting published a pair of short reports seeking to breed investor doubt about Eros ahead of the Company’s FY 2017 annual report filing. Both reports were published on GeoInvesting.com and “[c]ontributed” by “FG Alpha Mgmt.”

a) The July 14 Article On Geoinvesting.com

272. On July 14, 2017, GeoInvesting published a short report titled, “EROS: Critical Warning Signs Ahead of Upcoming Annual Report?” (the “July 14 Article”). The July 14 Article propagates false claims that: (i) Eros was surreptitiously “unwinding” its primary Indian subsidiary, EIML; (ii) Eros’ “silence” on its refinancing options is “troublesome” and “ominous”; (iii) Eros squandered its cash assets through an undisclosed related party transaction; (iv) recent changes to EIML’s auditor suggests that the Outside Auditor will not remain as Eros’ independent outside auditor; and (v) Eros’ FY 2017 annual report is late. Each of GeoInvesting’s claims in the July 14 Article are false and were spread for the sole purpose of harming Eros’ reputation and business.
i. False Allegations That Eros Is “Unwinding” Its Main Indian Subsidiary

273. First, GeoInvesting – echoing Unemon’s allegations in the May 10 Article – asserts that Eros had its Dubai subsidiary, EWW, “slowly” and “quietly” sell off stakes in EIML in a desperate attempt to mitigate Eros’ “undisclosed liquidity crisis.” GeoInvesting alarmingly flags the sales as “likely to have a material impact on both future revenue and cash flow,” and indicative of a continual, “ever-dwindling solution” to Eros’ “ongoing liquidity needs.”

274. GeoInvesting’s assertions are false. For one, its familiar refrain that Eros is embroiled in a liquidity crisis ignores the plain fact that, as of the date of Eros’ FY 2016 annual report, Eros had net increase in cash and cash equivalents of over $30.8 million over the prior year, for a total of over $182.7 million in cash and cash equivalents.

275. Further, GeoInvesting’s assertions that Eros’ “unwinding” of EIML will continue for an indefinite time and have a “material impact” on Eros’ future revenue and cash flow amount to rank speculation. In reality, Eros was not and is not “unwinding” EIML. Rather, Eros’ limited sale of a minority stake in EIML was merely a temporary measure to raise cash while it refinanced its debt. As Eros’ management affirmed on its July 28, 2017 conference call with investors, Eros has, and intends to retain, a controlling stake in EIML.

276. In addition, GeoInvesting’s claim that Eros was “quietly” and thus underhandedly selling off EIML is false, highly misleading and internally contradictory. In fact, Eros was transparent in disclosing the existence, degree and purpose of its sale in EIML when it released its FY 2017 annual and Q4 earnings. The sale was also disclosed in Eros’ subsidiaries public filings, which GeoInvesting itself relies on in a futile attempt to justify its falsehoods.
ii. False Allegations About Eros’ Refinancing Negotiations

277. Second, GeoInvesting attacks Eros for going “silent” after announcing in April that it was in the middle of negotiating options to refinance its revolving credit facility, casting Eros’ purported “silence” as “troublesome” and a “potentially ominous signal.”

278. These claims are baseless. As even GeoInvesting acknowledges, Eros’ credit facility maturity date was extended to September 30, 2017. Eros has no obligation to disclose the details of its refinancing alternatives ten weeks ahead of that date.

iii. False Allegations About Eros’ Related Party Transactions

279. Third, GeoInvesting accuses Eros of squandering its cash by purchasing just shy of $8 million in real estate from “key insiders” through a subsidiary of EIML, Eros International Pvt. Ltd. GeoInvesting proceeds to attack Eros for allegedly neglecting to disclose this transaction to its investors, and for “draining” cash out of the company.”

280. Again, GeoInvesting’s allegations are false and unfounded. First, as evinced by GeoInvesting’s own report, Eros had disclosed the existence of, consideration for, and counterparties involved in this related party transaction through a filing with India’s Ministry of Corporate Affairs. Second, Eros’ transaction hardly “drains” cash out of the Company, considering that Eros had cash and cash equivalents of over $182.7 million as of March 2016. In any event, Eros purchased the property for a business purpose and at a discount compared to what it would have had to pay if it purchased comparable property from a non-related party. Thus, Eros was not depleting cash through its garden-variety transaction.
iv. **False Allegations About Eros’ Relationship With Its Auditor**

281. Fourth, Geolnvesting spreads the false red flag that Eros’ Outside Auditor may no longer remain on board, given the recent switch in EIML’s auditor and resignations by the auditors of Eros’ subsidiaries.

282. Geolnvesting’s allegations are plainly false and fabricated to provoke market doubt about Eros. The shifts in auditors of Eros’ subsidiaries, which audited EIML’s filings with the SEBI, had nothing to do with Eros’ relationship with its Outside Auditor, which audited Eros’ separate and distinct filings with the SEC. In fact, as Eros’ FY 2017 annual report reveals, the Outside Auditor continued serving as Eros’ independent outside auditor in flat contradiction to Geolnvesting’s false claim.

v. **False Allegations About A “Delay” In Eros’ Annual Report Filing**

283. Geolnvesting concludes its July 14 Article by asserting that Eros’ FY 2017 annual report filing was delayed compared to previous years’ annual report filings.

284. This, too, is wrong. In reality, there was no “delay” in Eros’ FY 2017 annual report filing. Eros filed its FY 2017 annual report on July 31, 2017, on time under SEC rules. Further, Eros was not abnormally late in filing its FY 2017 annual report compared to previous years. The timing of Eros’ FY 2017 annual report filing conforms almost exactly to its FY 2016 annual report filing on July 27, 2016 and its FY 2015 annual report filing on July 8, 2015.

b) **The July 18 Article On Geoinvesting.com**

285. On July 18, 2017, just four days after publishing the July 14 Article, Geolnvesting followed up with yet another short report titled “Eros: Continued Subsidiary Sales and Expensive
Debt Further Our Reasons for Concern” (the “July 18 GeoInvesting Article”), which recycles recent claims by itself and its co-conspirator Unemon concerning Eros’ sale of a stake in EIML.

286. More specifically, the July 18 GeoInvesting Article asserts that EWW made a block sale on July 14 representing 1.32% of EIML, and then speculates that Eros may have made a larger total sale that day that was not reported. The 1.32% sale is “significant,” GeoInvesting claims, because Eros may have lost majority voting control in EIML. GeoInvesting proceeds to find fault with new share pledges in EIML, which it asserts reflects an influx in senior debt borrowings and hence Eros’ desperate “need for new borrowings.” GeoInvesting concludes its article by repeating its dire refrain that Eros is ensnared in a “liquidity crisis.”

287. GeoInvesting’s rehashed claims in its July 18 GeoInvesting Article continue to be false. Once again, Eros had ample cash on hand, and its limited sale of an additional 1.32% stake in EIML hardly signifies any loss of a controlling stake in EIML. Rather, Eros continues to own over 60% of EIML through EWW and other subsidiaries. Further, Eros is not, and was not ever, spiraling down a catastrophic “liquidity crisis,” despite GeoInvesting and its co-conspirators’ relentless attempts to re-broadcast this false claim.

4. Defendants Exploit Twitter To Spread Their Renewed Lies

288. Defendants, in coordinated fashion, again amplified the baseless concerns they touted in articles and blog posts using Twitter, including through new anonymous aliases such as “Lolwut02” and “mboom1991.”

289. For instance, GeoInvesting promulgated its defamatory, disparaging articles to the broader Twitter audience:

- March 8, 2017: “@fgalphamgmt contributes to @GeoInvesting showing former co-producer alleges $EROS of channeling money to family.”
March 8, 2017: "$EROS yesterday failed to price its new 9% bond due to lack of demand from high yield mkt. Could there be a liquidity crunch at $EROS?"

March 8, 2017: "The $EROS & LeEco prepaid phone bundling partnership has come and gone without any explanation from management, says @fgalphanmgmt" [sic]

March 8, 2017: "@fgalphanmgmt believes that $EROS has far too many red flags to be considered investable & is are currently short, as is @GeoInvesting."

March 16, 2017: "@fgalphanmgmt to @GeoInvesting on $EROS, claiming co. may be out of options for cash aside from an equity raise[.]"

March 16, 2017: "@fgalphanmgmt: As of Dec, $EROS had current liabilities of due within 1yr of $434M with just $135M cash on hand"

March 29, 2017: "@fgalphanmgmt contributes its latest to GeoInvesting on $EROS"

290. In lockstep with GeoInvesting, defendant David, using his pen name "FG Alpha Management," intensified GeoInvesting’s attacks by repeating and expanding on GeoInvesting’s allegations:

March 8, 2017: "Today we plan on providing what can only be described as explosive evidence from a former $EROS co-producer & Indian filmmaking expert.”

March 8, 2017: "Court documents seem to validate outstanding allegations of potential fraud at $EROS made by short-sellers over the last two years.”

March 16, 2017: "We believe $EROS to be in a serious liquidity crunch that may soon force the company into issuing equity at very dilutive prices.”

March 22, 2017: "$EROS Credit and finance issues continue. Now they are not paying producers.”

March 27, 2017: Link to positive article on Eros’ new partnership with a leading U.S.-based event cinema distributor as part of the “Best of Bollywood Event Series,” the first-ever classic Bollywood film series presented in North American theaters, with the tweet, "$EROS think this
BS PR [...] is going to solve their liquidity [sic] issues? No I don’t think so. Not to mention [sic] what’s [sic] coming

- March 29, 2017: “A CNN India exposé catches 4 $EROS associated execs on hidden camera discussing methods for laundering money through their films”
- March 29, 2017: “$EROS worked closely with all of the individuals and even acquired a 50% interest in one of their production companies in 2016”
- March 29, 2017: “Apparent ties to money launderers raises serious questions about $EROS use of offshore asset havens & its byzantine entity structure”
- March 30, 2017: “Did $EROS lose their [ ] President [in] Jan 2017 & not disclose it? [...] No way since they are most transparent company ever!”
- March 31, 2017: “Lol you can’t even make this shit up! $EROS & a few pumper morons calling them most ethical company ever. Please squeeze [sic] so I can short more.”
- July 14, 2017: “Our latest critical report on $EROS is available exclusively at @GeoInvesting”
- July 14, 2017: “Read our latest report on $EROS contributed to @GeoInvesting”
- July 14, 2017: “In our latest report on $EROS we examine how the company has sold off or pledged over 23% of its stake in its Indian subsidiary”
- July 14, 2017: “$EROS is historically late in disclosing its annual report by over a month now. A sign of caution?”
- July 14, 2017: “$EROS Indian subsidiary, meanwhile, accounts for over 58% of 2016 revenue. The company has also switched auditors (again).”
- July 15, 2017: “$EROS ... short report out there from @GeoInvesting ... Clock is ticking ... just 15 days left to file annual Report! $EROS the ZERO”
- July 18, 2017: “$EROS continues to sell off its main subsidiary. New findings today add to findings we reported in an article on @GeoInvesting yesterday.”
July 28, 2017: "$EROS Thank u to Jefferies & Macquarie analysts who thru ineptitude created the opportunity for us & others to actually publish the truth."

291. Furthermore, Irons, under the pseudonym “Quoth the Raven,” aggressively rebroadcasted the falsehoods spread by other defendants through a slew of tweets, which include the following:

- March 8, 2017: “QTR believes $EROS is in a massive liquidity crunch and can't generate cash. With a bond offering failing, very scary for equity investors.”
- March 8, 2017: “$EROS equity worth $0 IMO [...]”
- March 9, 2017: Graph depicting Eros’ stock prices with the taunting tweet, “Everything’s fine here...$EROS”
- March 13, 2017: “$EROS about to go red after being green all day”
- March 14, 2017: “$EROS continues to fall apart”
- March 14, 2017: “$EROS wants to head back into single digits no doubt”
- March 16, 2017: “Honestly, QTR believes $EROS equity is worth 0”
- March 22, 2017: “Meanwhile, still waiting on the S&P downgrade of $EROS that should be coming any second. But yeah, appears they’re broke.”
- March 29, 2017: “In my opinion, for $EROS, now just a question of whether dilutive financing or regulators take them out first. #GameOver”
- March 31, 2017: [Responding to another Twitter user who defended users with the tweet] “He’s right that somebody sounds desperate. It’s not shorts, though. $EROS”
- July 28, 2017: “Don’t say you weren’t warned on $EROS: @fgalphangmt @unemon1 @Clarityspring @ChazzCapital @asensiocom have had this joke nailed for years.”
- July 28, 2017: “Also credit to @alpha_exposure - one of the first to blow the whistle on $EROS some time back.”
292. In addition, the anonymous short-seller “Unemon” (John Doe No. 5), disseminated strident tweets about Eros starting in March 2017 and continuing in a steady downpour to this day. Unemon’s tweets not only pounced on and echoed his and his co-conspirators’ disinformation, but spread additional rumors. Unemon’s torrent of false and defamatory tweets about Eros includes the following, which represents a mere subset of his total tweets about Eros:

- March 8, 2017: “$EROS Remember it is planing [sic] to invest 220m in Content each year till 2018 (possibly beyond). Now they failed to place BOND. Strategy is dead”
- March 8, 2017: “$EROS ... bond placement was key for their growth strategy. Huge red flag that they failed to place it. Looks like creditors have concerns”
- March 16, 2017: “$EROS .. best case .. they announce a dilutive offering Next week. Worst Case .. liquidity crunch. = 20% drop or more in any case”
- March 17, 2017: “$EROS unable to complete bond offering, unable to renegotiate credit facility in Jan16. Either 20% dilution or liquidity crunch in 2 weeks”
- March 30, 2017: “$EROS and then you call the Company Phone number in Dubai ... +97143902825 ... ha ha ha ha”
- April 4, 2017: “$EROS of course this Indian shady company has not yet filed a 6-K disclosing the Terms of the CF extension. Credibility 0.0”
- April 4, 2017: “SOS SOS .... $EROS looks like a 10th world movie producer judging from Box Office India Data”
- April 5, 2017: “$EROS .. trending lower and lower today .... Guess market is finally waking up!”
- May 10, 2017: “Looks like $EROS is liquidating its investment in EROS INDIA as well as pledging shares to Creditor. Final Chapter of this Fraudulent Co.”
- May 13, 2017: “$EROS Sloppy Analysts have been made aware of what I believe to be a liquidity Crisis at EROS. Yet they keep $18 PT? They r geniuses!”
- May 26, 2017: "$EROS ... also changed the AUDITOR ... what a surprise!"
- May 26, 2017: "$EROS ... Dubai Office ... less than approx 400sqft ... HILARIOUS COMPANY."
- June 7, 2017: "$EROS continues to trend lower and lower .... just as predicted!"
- June 8, 2017: "$EROS lower and lower ... just the way I like it"
- June 9, 2017: "$EROS new partner moving into electric scooters. lol ... watching ERO-NOW when riding a scooiter? [sic] Paramedics be ready!"
- June 20, 2017: "$EROS everybody in is right state of mind would dismiss such a rumor ( $AAPL invesitng [sic] in $EROS ) IMMEDIATELY!! True is $EROS needs Cash!"
- June 23, 2017: "$EROS ... would not be surprised ... to see a ... 'NOTIFICATION OF LATE FILING' next week .. since Co has not announced a date yet!"
- June 28, 2017: "$EROS . [sic] buying offices from LULLA and paiung [sic] $8.8m? when at the same time it is liquidating investments without informing U.S. shareholders?"
- July 6, 2017: "$EROS ... Wondering if auditor making problem to sign on annual reports? or what is going on? Company never waited till July. No date yet!"
- July 11, 2017: "$EROS .. touting the [LeEco] partnership last year ... Looks like another FAILURE!"
- July 20, 2017: "Needless to say... all past 3 Movies released by SEROS have been labeled as "DISASTER" BY BOXOFFICEINDIA!"
- July 25, 2017: "question submitted to Jefferies and $EROS management: Hoping for a hones and comprehensive answer! I know I know .. I am a dreamer!"
- July 18, 2017: "[Fullerton] deal did not happen. another failure to perform. JUST do a simple google search trend to see virtually noboy [sic] is interested in $EROS NOW"
- July 27, 2017: "Looks like $EROS ... is not adding many titles released in 2017 to EROS now. Looks at this Chart? Falling off a cliff? wonder why,"
• July 27, 2017: “$EROS should be transparent and take questions ‘live’ over the phone from Investors. Jefferies working as a de-facto PR agent is collusion!”

• July 27, 2017: “Nice ... They all also used to ask questions during the ENRON CCs ... turned out extremely well for blind Shareholders $EROS”

• July 28, 2017: “$EROS did a Bollywood producer help management to SCRIPT this $EROS quarterly Call. Sounds like Fiction, rather than reality!”


• July 28, 2017: “$EROS .. when will the downgrades start to come in? Colluded Jefferies aside ... I still think the others does have some dignity left.”

• July 28, 2017: “$EROS ... eager to see who is so brave to keep this Shares Long overnight? I would not rule out Going Concern language in 20-F”

• July 28, 2017: “EROS falling apart? ... well ... what do u expect. This recent PRESS Release was so hilarious .. hard not to think Books are cooked!”

• July 28, 2017: “$EROS fraud falling apart? lol ... down -30% ... will pumpers blame short sellers? Ahah”

• July 28, 2017: “$EROS everybody knows the ‘catalog revenue’ with ‘longer payment cycles’... JUST a way to inflate revenue that will never get collected!”

• July 28, 2017: “After reading today Earnings PR ... If u still believe $EROS is not a fraud ... u are just an Idiot!”

• July 28, 2017: “$EROS revenue in Q4 2017 was $52.6m, down from $65.1m in 2016. That’s a 20% Drop! ... Amazing Growth story ... lol”

• July 28, 2017: “$Eros Now holds rights to more than 10,000 films[?] yet on Eros Now platform less than 5000 movies? ahah get ur lies straight $EROS, pls!”

• July 31, 2017: “$EROS .. run the numbers and u will realize that EROD [sic] outside India generated 30sh m in Reve and had a 25m increase in Receivebles [sic] = Fake!”

80
Moreover, Defendants fabricated Twitter aliases to further reverberate their false, misleading and highly offensive themes. One such alias, “Lolwut02,” joined Twitter in May 2017. Lolwut02 has only ever published six tweets, all on May 23, 2017 and related to Eros. In one tweet, Lolwut02 responds to Unemon’s derisive tweet concerning a securities filing by Eros International Media with the mocking question, “[t]hey do this every year?” In another tweet, Lolwut02, purports that it is “getting kind of nervous” at the baseless prognosis of the Company’s looming liquidity crisis. Another alias, “mboom1991,” joined Twitter in June 2017. Since then, mboom1991 has published zero tweets of his own but consistently rubber-stamps Unemon’s negative tweets about Eros by “liking” them.

5. **ClaritySpring Foments Further Disinformation And Doubt**

Defendant ClaritySpring first surfaced in March 2017 and, along with Alpha Exposure (Mangrove), re-emerged with far greater intensity in July 2017 – right before Eros was set to report its FY 2017 annual and Q4 results, and in tandem with GeoInvesting’s July 14 and 18 Articles discussed in ¶¶ 271-287. ClaritySpring has published approximately 30 tweets on Eros, timing its tweets to align with its co-conspirators’ falsehoods.

For instance, on March 9, 2017, just one day after GeoInvesting’s first short report against Eros, ClaritySpring tweeted at “Quoth the Raven,” “seems perfectly normal, perfectly healthy.” On March 17, again one day after GeoInvesting’s second short report against Eros, ClaritySpring re-tweeted a link to that article. Similarly, on March 31, 2017, at the heels of GeoInvesting’s and Unemon’s March 29 and 30, 2017 articles, respectively, ClaritySpring tweeted the following “reply” to an alias of GeoInvesting’s officer, Christopher Irons, “Quoth the Raven”: “I’m just impressed that [investors with a long position in Eros are] catching a bid anywhere right now.”

297. ClaritySpring intensified its attacks against Eros starting in late-July, in concert with GeoInvesting’s renewed short reports and in the ten days before Eros was set to report its FY 2017 annual and Q4 results on July 28, 2017. ClaritySpring and its co-conspirators escalated their attacks to delay Eros’ filing and preempt positive market reaction to Eros’ latest financials.

298. The centerpiece of ClaritySpring’s attacks was a series of tweets on July 21, 2017, the day Eros’ put options were set to expire that month. The tweets fabricated false, misleading allegations concerning an alleged Eros subsidiary, Emerging Power Singapore Pvt. Ltd., formerly known as “Eros Energy Singapore Pvt. Ltd” (“Emerging Power” or “Eros Energy”). Purporting to rely on FY 2016 financial results, ClaritySpring claimed that Emerging Power owns a 99% stake in another Eros subsidiary, Eros Television India Private Limited (“Eros TV”), and that Emerging Power “sits outside the $EROS corporate structure.” These accusations were false and misleading. As Eros’ SEC filings make clear, Emerging Power is not a subsidiary of Eros and not part of Eros’ corporate structure. Thus that the company “sit[s] outside [Eros’] corporate structure” is not at all surprising or salacious, contrary to ClaritySpring’s false rumors.

299. ClaritySpring went on to falsely claim that Emerging Power “records little financial activity w/ the exception of cash transfers through a series of borrowings and advances” and that, “[d]espite being a subsidiary to an apparent energy company, the advances described in its audits are ‘Advances given for film.” ClaritySpring capped off its false and misleading tweets by claiming that this alleged Eros subsidiary “received a qualified audit opinion, adverse
opinion, then NO AUDIT. $EROS,” and then mocked, “It makes me happy when pumpers get mad. The truth stings $EROS.”

300. These accusations could not have been further from truth. Once again, Emerging Power is not in fact a subsidiary of Eros or otherwise part of Eros’ corporate family. Thus, it was neither necessary nor appropriate for Eros to oversee this unaffiliated entity’s financial reports or audit results. The plain falsity of these fictions highlight ClaritySpring’s corrupt motive to distort market perception of Eros just before Eros’ most critical SEC filing of the year.

301. ClaritySpring and its co-conspirators succeeded in overwhelming the market with their self-constructed falsehoods. On July 21, 2017, as a result of ClaritySpring’s and its co-conspirators’ false attacks on Eros’ accounting, Eros’ stock price dropped by nearly 21% within three and a half hours of the start of trading that day.

302. ClaritySpring continued to aggressively attack Eros on Twitter from its July 21, 2017 string of tweets until Eros reported its FY 2017 annual and Q4 results. ClaritySpring’s tweets regurgitated the accusations that its co-conspirators peddled in recent months, but also promulgated the incendiary lie that Eros colluded with an independent analyst at Jefferies Group to sugarcoat the Company’s financial results and drive up its stock price. Its flurry of false tweets during this brief period, several of which responded to tweets by its co-conspirator Unemon, included the following:

- July 27, 2017: “FWIW, my predictions on $EROS’s annual results being reported tomorrow morning*
  1. Continued issues with collection of accounts receivables
  2. Large and inexplicable ‘Rest of World’ and UAE sales despite y/y sales declines in India
  3. Slightly negative to slightly positive net income driven by ‘high margin catalogue sales’
4. Negative cash flow and significantly lower balance

5. Large headline ErosNow user growth but little insight on revenue or cash flow. Possible announcement of an LOI or unfinalized ‘deal’ that seeks to peg ErosNow at a valuation

6. Worse terms on revolving credit line

7. Non-definitive statements about late-stage negotiations with new creditors

8. Jefferies to re-iterate ‘Buy’ rating following the call no matter what. If the CEO executes herself in front of everyone on the call, Jefferies: “optimistic about new talent brought in to refresh management team’


10. Lastly, that this will be Eros’s last annual report as an NYSE-listed company.”

6. Mangrove Reignites Its Onslaught Through Seeking Alpha And Twitter

303. In tandem with Geolnvesting and ClaritySpring’s attacks, Mangrove and August, posing as “Alpha Exposure,” resurfaced with multiple targeted strikes, starting with a trickle of four tweets on May 26, 2017, then a downpour of 20 tweets on July 28, 2017, followed by yet another defamatory short report on Seeking Alpha.

   a) Mangrove’s False And Misleading Tweets

304. On May 26, 2017, the day EIIL released its FY 2017 annual and Q4 financial results, Mangrove and August, posing as “Alpha Exposure,” took to Twitter to defame and disparage the subsidiary and by extension Eros. Within a span of less than 15 minutes, Alpha Exposure tweeted the following false allegations that:

   • “$EROS - oldie but goodie - Indian subsidiary reported results this morning. Massive cash burn. Target price still $0”

   • “$EROS Indian subsidiary cash on balance sheet only 131 Rs Lacs vs 1,719 Rs Lacs last year (-92% year over year). Looks like liquidity crisis”
• "$EROS Indian subsidiary borrowings more than double in last fiscal year but sales down. Looks dire to me."

• "$EROS Indian subsidiary almost all cash comes through consolidation and not in the standalone accounts. We think this is a huge red flag."

305. Alpha Exposure’s tweets echoed GeoInvesting’s and Unemon’s baseless claims that Eros was embroiled in a “liquidity crisis” and “burning cash.”

306. In line with its strategy of attacking during critical earnings announcements, Mangrove and August attacked again as Alpha Exposure on July 28, 2017, the date Eros released its FY 2017 annual and Q4 financial results. This time, Alpha Exposure escalated the frequency and virulence of its attacks, publishing 20 tweets within the span of less than two hours. Alpha Exposure’s deluge of tweets promulgated false allegations that:

• "$EROS $58.5m in receivables more than 1 year old but the reserve for doubtful accounts is just $163k. Fraudulent revenues."

• "$EROS spent only $5 million on film production in the quarter. Company clearly in liquidity crisis."

• "$EROS admitting it will decrease number of films being produced. Why? LIQUIDITY CRISIS. #liquiditycrisis"

• "$EROS under SEC investigation. No way a registration statement gets approved. This is fraud [sic] going to $0."

• "$EROS claims will get DSOs under 250 yet they just keep growing... now 366. Complete fraud."

• "$EROS first says it only take questions from Jefferies analyst and then... takes questions from other people. Clown show."

• "$EROS still does not disclose revenue from EROS NOW. They pump it and refuse to disclose. Huge red flag."

• "$EROS revenues -19% in Q4 and EBITDA -35% in Q4 despite booking fake content/rest of world sales"

• "Lets [sic] be clear. Today’s $EROS results should prove that the company is a fraud. There’s no doubt any longer. 1/n"
• “EROS Days Sales Outstanding increased to 350 days based on current Accounts Receivable. Total A/R (including LT) gives 366 DSOs!!”

• “$EROS EBITDA “slightly down” per CFO ... yet Q4 was -35% YOY. Blaming demonetization yet effects should be fading with time not intensifying”

• “$EROS cash generated from operations before income and interest only $9mm in Q - not collecting any cash to pay for films. #liquiditycrisis”

• “$EROS massive increase in days payable shows they are having trouble paying their suppliers in timely way. Company in distress / cash crunch”

• “$EROS wants to raise equity but reassuring everyone its [sic] “well capitalized.” Lies on top of lies.”

• “$EROS would have been better off never reporting and late filing than coming out with the fiction and fumbled questions they presented today”

• “$EROS says EROS NOW revenue only $14 million. Complete joke.”

• “$EROS reveals that the company is filing a shelf. Only reason to do that is to dilute current shareholders by issuing equity”

• “$EROS press #1 and register for a question. Me: why do you have almost no reserves for receivables when you have so many over a year old?”

• “$EROS ends with another lie “no further questions” - what about me?”

• “$EROS increase in trade and other receivables used $72 million in cash despite sales decline. Fraudulent sales being booked & not collected”

307. Subsequently, on August 1, 2017, a day after Eros filed its FY 2017 annual report with the SEC, Mangrove and August struck once again with the false and threatening tweet, “$EROS 20-F indicates significant liquidity risks. Almost begging for another article. Just wait for next week...”

308. Mangrove and August’s most recent tweets about Eros parrot and mockingly create a “hashtag” for the unfounded claims that Eros has spiraled into a “liquidity crisis.” Their assertions, evoking Asensio’s in Summer 2016, also falsely denigrate Eros as a “fraud.”
309. Moreover, Mangrove and August’s assertions mirror ClaritySpring’s so-called “predictions” from the previous day, by attacking Eros’ accounts receivables and “Rest of World” revenue. Finally, Mangrove and August’s assertions contradict one another. For instance, in one tweet they assert that “$EROS still does not disclose revenue from EROS NOW. They pump it and refuse to disclose. Huge red flag.” In another tweet published just one hour later, they renege on this claim entirely, asserting that “$EROS says EROS NOW revenue only $14 million. Complete joke.”

310. Mangrove, Clarity Spring and their co-conspirators’ false tweets accomplished their goal, causing Eros’ share price to drop by over 16% on July 31, 2017, compared to the opening price on July 28, 2017.

b) The August 14 Article On Seeking Alpha

311. On top of flooding the market with false tweets, another centerpiece of Mangrove and August’s newest round of attacks on Eros as “Alpha Exposure” is an incendiary article on Seeking Alpha dated August 14, 2017, titled “Eros: Roll the Credits” (the “August 14 Article”), re-published on Alpha Exposure’s blog that day.

312. In its latest hit piece, Mangrove repackages the same false themes in GeoInvesting’s and Unemon’s (John Doe No. 5) short reports, including that Eros is submerged in an alleged “liquidity crisis.” Mangrove’s baseless claims, made solely to malign Eros’ business and reputation, are false for the same reason they have always been false. Eros, contrary to Defendants’ relentless refrain, has over $112 million in cash and cash equivalents as of March 2017. Further, as Eros announced, it is in the advanced stages of executing options to refinance its credit facility, which has an extended maturity date of September 30, 2017.

313. Next, Mangrove attempts to bolster its attacks on Eros’ liquidity by falsely asserting that Eros is “pulling back on its investments in content to preserve liquidity,” a “sign of
financial distress.” But Mangrove’s falsehoods bypass Eros’ FY 2017 third quarter (“Q3”) earnings release, which reflect that the change was not due to “financial distress,” but a conscious business decision to enact a hold-back as a back-stop to India’s decision to demonetize the rupee. Further, in that same earnings release, Eros reported it will shift its business strategy by focusing more on in-house productions, as Eros had established an in-house franchise studio, Trinity Pictures, last year. Likewise, in January this year, EIML also announced a strong film pipeline with a greater focus on in-house productions.

314. Mangrove, continuing its baseless attacks on Eros’ liquidity, falsely accuses Eros’ “growing payables balances” as a “telltale sign of financial distress” and claims that this increase signals Eros has “drastically” slowed its pace of paying suppliers and is caught in a “precarious liquidity situation.” Mangrove gets its facts wrong. As Eros reported, it recently acquired rights to approximately 5,000 titles for Eros Now. Thus, Eros’ increase in payables is a direct result of this extraordinary, one-time transaction – which, contradicting Mangrove’s fear-mongering claims of a crisis, evinces Eros Now’s momentum and potential for robust future growth.

315. Mangrove also pounces on national newswire rumors that Eros was in early talks to sell Eros Now’s film library to Apple, Netflix or Amazon for approximately $1 billion. Recognizing the market’s favorable reaction to the rumors, Mangrove claims that they are “not credible” and “just a distraction made necessary by a liquidity crisis at Eros.” That Mangrove even purports to have knowledge about a rumored transaction to which it is not a counter-party demonstrates that its charges have no basis. Mangrove’s motivation for doing so is transparent: its highly disparaging remarks were specifically calculated to counter the market’s enthusiasm about Eros and thwart the rumored deal that it paints as a sham.
Moreover, Mangrove impugns Eros’ increase in receivables. But Mangrove’s fabricated concerns are baseless. The Company disclosed in its FY 2017 annual, Q4 and Q3 earnings releases that it has been steadily increasing its high margin catalogue revenues. It further communicated in its FY 2017 earnings release that its receivables had increased due to higher catalogue revenues with payment terms that last up to a year. In addition, Eros has collected over $25 million in receivables post balance sheet.

Mangrove goes on to falsely assert that, “at worst,” a looming SEC probe or enforcement proceeding would preclude Eros’ shelf from getting approved, forcing Eros into “bankruptcy.” Mangrove’s fear-mongering is utterly unfounded and, like its “liquidity crisis” claims, rooted in no facts or data. Mangrove concludes the August 14 Article with a baseless attempt to goad readers into alerting the SEC about their “concerns.”

7. **Defendants Create A New Persona, “Hindenburg Research,” To Tout Their Lies**

Immediately after Eros released its FY 2017 annual results and filed its newest annual report with the SEC, yet another accomplice, Hindenburg Research (John Doe No. 6), emerged from the woodwork to advocate for Defendants’ disinformation. Hindenburg Research, mimicking its co-conspirators’ tactics, repackaged a panoply of Defendants’ lies in three short reports and numerous additional tweets.

a) **The July 31 Article On Twitter And Seeking Alpha**

Hindenburg published its first short report on Twitter on July 31, 2017, titled “Eros Earnings Review: An Abundance of Red Flags” (the “July 31 Article”), republished on Seeking Alpha the next day. Hindenburg’s short report which regurgitates many of Defendants’ themes throughout their conspiracy, attacking Eros’ liquidity, refinancing negotiations, accounting, Eros’ movie library and Eros Now.
320. Echoing its co-conspirators, Hindenburg opens its false article by touting the alarmist claim that Eros’ “asset sales” and potential shelf offering “spell” “ever-tightening liquidity issues with no clear solution on hand.” This accusation was false when GeoInvesting introduced it; when Unemon parroted it; when Alpha Exposure (Mangrove) repackaged it; and it remains false now. Hindenburg tries to bolster its indefensible falsehood by baselessly claiming, in part, that Eros is “short on time and short on options” in negotiating its refinancing options, and that Eros is “rapid[ly] selling [] shares” in EIML. But Eros’ credit facility maturity date was extended to September 30, 2017. And, as the Company stressed on its earnings call on July 28, 2017, it has and intends to keep a controlling stake in EIML.

321. Hindenburg, taking a cue from ClaritySpring’s July 21, 2017 tweets, then claims that Eros self-deals through its alleged “related party,” Eros Energy Singapore. This is not so. Eros Energy, as Eros’ most recent annual report underscores, is not a part of Eros’ corporate structure. Nor is Eros TV. Rather, both entities are promoter group entities outside of Eros’ group organizational structure. And, other than a single loan from Eros TV to Eros, Eros has zero business connection with either entity.

322. Next, Hindenburg directs its contrived ire at Eros’ revenues, repeating GeoInvesting’s false refrain that a relative increase in Eros’ “Rest of the World” revenues undermines the Company’s financial disclosures. Hindenburg is entirely wrong. It is not only credible, but entirely expected, that Eros has a high RoW revenue, because its films are enjoyed by consumers in countries all across the non-Western world – including in other South Asian countries such as Bangladesh, Sri Lanka and Pakistan, and in new markets that are increasingly consuming a higher number of Bollywood film content in local languages.
323. Hindenburg, previewing Alpha Exposure’s (Mangrove) August 14 Article, then attacks Eros’ increase in receivables. Hindenburg proceeds to falsely attack Eros’ film library and releases, as well as Eros Now, again echoing Mangrove’s claims. These attacks are false, as demonstrated above in ¶¶ 109-110 & 316.

324. Hindenburg concludes its short report on Eros by spewing the lie that the Company’s alleged accounting issues, financing shortages, asset sales and “tarnished story” render it a “ticking time bomb for investors.” This is a far cry from truth. It is Defendants, through their relentless chicanery, who are decimating Eros’ reputation and business.

b) The August 7 Article On Twitter

325. On August 7, 2017, Hindenburg published a second short report on Twitter, titled “Eros’s Latest Buying Rumors Seem Suspect” (the “August 7 Article”). In it, Hindenburg both echoes Asensio and foreshadows Alpha Exposure (Mangrove) by attacking Eros through rumors of a potential deal with Apple, Netflix or Amazon, asserting that “[t]he evidence [ ] suggests that potentially all of the sources for the [rumors] are affiliated with Eros.”

326. Hindenburg’s claims that Eros and its “affiliate[s]” made up the rumors to artificially boost its stock price are entirely false for the same reasons that Mangrove’s near-identical claims are false. Mangrove and Hindenburg spread these fictions for the sole purpose of distorting market enthusiasm and curbing Eros’ stock surge for their conspiracy’s profit.

c) The August 24 Article On Seeking Alpha


328. Hindenburg claims in its latest hit piece that it “[r]ecently [ ] learned of” a related party, Ayngaran International Films Private Limited (“Ayngaran”), which “shows little financial
activity with the exception of a series of large advances and payables” and has Eros as its key lender. Based on this, Hindenburg falsely asserts that the “evidence renews questions relating to Eros’s receivables accounting practices.”

329. Hindenburg’s claims are baseless. The Ayngaran entity referenced by Hindenburg is not, in fact, a related party. Accordingly, Hindenburg’s attempt to link its financial activity to the Company’s receivables accounting practices is entirely without merit.

d) Hindenburg’s False And Misleading Tweets

330. Hindenburg published at least 14 additional tweets about Eros to accompany its short report. Hindenburg’s pattern of tweets exposes that it has created a Twitter account solely to harm Eros. It joined Twitter in July 2017 and has published 19 tweets. All except for one parrot false and misleading accusations about Eros, including the following:

- August 1, 2017: “$EROS slashed nearly 18% of its workforce (96 employees) in FY 2017. Where’s the growth story?”
- August 1, 2017: “$EROS recorded $18.9m in FY 2017 related-party advances and payments despite its tightening liquidity situation”
- August 4, 2017: “More debt to the pile: $EROS added 15.7 cr ($2.5m USD) debt in June according to yesterday’s subsidiary filing”
- August 4, 2017: “NEW: $EROS formally named by the national auditor of India in tax evasion investigation”

* * *

331. Defendants’ attacks on Eros also continue to this day. For instance, Orange Peel Investments, mirroring its co-conspirators, re-emerged on Seeking Alpha by publishing back-to-back articles in the span of less than a week, on August 2 and August 7, 2017. Orange Peel Investment’s articles echo and foreshadow falsehoods that its co-conspirators dispersed, including that Eros’ cash flow was dwindling, its potential shelf offering will trigger a destructive equity issuance and the rumors of a landmark deal are “not credible.” Further, as in
its 2016 short reports on Eros, Orange Peel Investments lends credence to its accomplices’ false accusations, broadcasting that “EROS has been questioned by numerous short sellers, including Seeking Alpha’s own Alpha Exposure, The Geo Team and Manuel Asensio at Asensio.com.”

332. Further, Mangrove and August continue to spread brazen falsehoods. For instance, on September 8, 2017, Mangrove and August, again donning the guise of “Alpha Exposure,” tweeted, “Looks like $EROS will report its quarter late again. Does anyone actually think this is not a complete fraud?” Just two days later, Alpha Exposure amplified that accusation with the tweet, “where are financials for $EROS ? [sic] What’s happening with registration statement? 25 business days since filed with SEC... still not approved.” Then, on September 12, Alpha Exposure re-iterated these baseless accusations, tweeting, “Where are Q1 financials $EROS? 26 business days since you filed your registration statement. Seems like you’re having trouble with SEC...”

F. Eros’ Damages

333. Defendants’ short and distort scheme has inflicted damage on Eros’ reputation, business operations, and financial condition. The recurrent campaign of negative misinformation adversely affected Eros’ market reputation, as well as important business relationships, and resulted in decreased credit worthiness and the sustained artificial depression and erosion of Eros’ share price. Entities involved in Eros’ business, including producers, film distributors, strategic partners, lenders, regulators, existing and potential customers and investors have paid close attention to the negative publicity fomented by Defendants and their co-conspirators and have been and continue to be influenced by the campaign.

334. Defendants knew that by injecting false and misleading information into the marketplace, they would negatively influence the market’s perception of Eros and negatively
impact Eros’ relationship with critical industry participants. Defendants intended for their actions to impugn Eros’ reputation and business, to profit from decreases in Eros’ stock price.

335. The artificial depression and erosion of Eros’s share price have also been sustained since Mangrove and August commenced their initial short and distort campaign as Alpha Exposure in October 2015. For example, illustrating the damage that Defendants recently caused to Eros’ financial condition and business, Eros’ stock price fell by nearly 19.5% within the span of a mere 30 days, from the close of trading on March 7, 2017, one day before the first GeolInvesting short report, through close of trading on April 6, 2017 as a result of Defendants’ negative reports and tweets during that time period. Likewise, on July 28, 2017, Alpha Exposure and its co-conspirators’ tweets caused Eros’ share price to drop by over 16% two trading days after Defendants published their negative tweets (compared to the opening price on July 28).

336. Eros has also been damaged by the abnormally high amount of short interest in its stock during Defendants’ scheme, which abnormality is attributable both to Defendants’ own outsized short positions in Eros and to their repeated injections of blatant falsehoods about Eros into the market. Indeed, the commencement of Defendants’ short and distort scheme coincides with a dramatic spike in Eros’ short interest, which doubled in the last three months, ballooning to nearly 13 million shares, its highest ever. For example, approximately 276,000 shares were shorted on August 8, 2017 alone – a staggering amount, considering that Eros’ prime brokers represented that virtually no shares were available for borrowing that day.

337. The abnormally high short interest in Eros’ stock has had the direct effect of substantially depressing the market value of Eros over the entire course of Defendants’ scheme and, among other things, has adversely impacted Eros’ ability to borrow capital in the market.
338. Defendants’ attacks resulted in numerous and repeated occurrences where the misinformation and innuendo concerning Eros and its subsidiaries directly interfered with Eros’ operating subsidiaries’ reputation among, and existing and prospective business and contractual relationships with, existing and prospective customers and other counterparties, including producers, film distributors, investors, lenders and strategic partners.

339. For instance, Defendants’ disinformation campaign impaired Eros’ credit worthiness and affected its reputation among and relationships with potential lenders with whom Eros needed to negotiate with to extend and/or refinance its credit facility agreement and raise capital, including through its U.S. Dollar Reg-S bond offering in March 2017, among other significant deals in the pipeline.

340. The negative publicity fomented by Defendants led potential and current business partners to view Eros and its subsidiaries more skeptically than was otherwise warranted. Defendants forced Eros to squander time and money defending against the frivolous accusations.

341. Furthermore, Defendants’ constant attacks on Eros were distracting to Eros’ senior management, diverting the executive officers’ attention away from dealing with business issues and forcing them instead to spend time, money, and efforts on investigating and rebutting the false allegations manufactured by Defendants.

342. Eros has also incurred substantial fees and expenses responding to, counteracting and remediating the harm of Defendants’ misconduct, including the costs of this litigation.

343. The increased economic costs and expenses; lost profits, acquisitions and business opportunities; increased cost of capital; and other harm to Eros’ business and reputation, directly and proximately caused by Defendants’ misconduct, exceed hundreds of millions of dollars.
CAUSES OF ACTION

COUNT ONE

DEFAMATION PER SE
(AGAINST ALL DEFENDANTS)

344. Eros restates each and every allegation set forth in paragraphs 1 through 344 as if fully set forth herein.

345. Defendants knowingly and intentionally published false and injurious statements about Eros. Those publications include false statements and innuendo that Eros endorsed an "extraordinarily" improper audit structure designed to sweep alleged reporting errors under the rug; usurped its own law firm’s investigation into the alleged reporting errors in a calculated attempt to “whitewash” its name; overstated user counts for Eros Now; engaged in accounting fraud and money laundering; and carried out sham and illegal related party transactions.

346. Defendants published these false and misleading statements attacking Eros’ audits, accounting, statutory disclosures, alleged related party transactions and financial condition in analyst reports, articles, web postings, e-mails and direct communications.

347. Defendants’ false, misleading and defamatory statements set forth herein concerning Eros were made and published with actual malice, as such statements were made by Defendants with knowledge of their falsity or reckless disregard for their truth.

348. Defendants published their falsehoods and innuendo to third-parties and understood and intended that these false statements would have the effect of injuring Eros’ reputation, preventing others from doing business with Eros, and interfering with Eros’ existing business relationships. Those third parties include, among others, lenders, strategic partners, producers, film distributors, regulators, auditors, customers and investors.
349. As set forth herein, these injurious attacks on Eros’ business, reputation and integrity include but are not limited to the following false and misleading allegations:

- Asensio’s claims in the June 7 Letter and June 7 PCOAB Letter that “someone has deliberately designed EROS’s audit process” using an “extraordinarily questionable” divided responsibility audit “to distance themselves from what its public critics believe to be illegal activity”; a dozen Eros subsidiaries were audited by five Indian auditors, who “might as well be non-existent for what little is known about them”; the Outside Auditor’s audit does not conform to the applicable audit standards in light of Eros’ allegedly “overstated” intangible assets and accounts receivables; and Eros was complicit in this “extraordinarily questionable” auditing scheme as it endorsed, accepted and defended the Outside Auditor’s actions.

- Asensio’s claims in the Second June 7 Article that Eros “shifted” the scope of Skadden’s role in the Audit Committee Investigation in a purposeful attempt to “whitewash” the Company’s purported financial misstatements.

- Asensio’s claims in the June 9 SEC Letter that “the public controversy that surrounds the value of EROS’s [film] library and account receivables appearing on its balance sheet, which are the principal issue in the public controversy and a belief statement [sic] published by Alpha Exposure that these assets are overstated to a level that makes EROS’s bonds and equity ‘worthless’” is “credible.”

- Asensio’s claims in his June 9 Article that Eros Now is overvalued if Eros does not close the Fullerton deal or does so at a lower value.

- Spotlight Research’s claims in its June 9 Article and Asensio’s claims in the June 28 [ ] Article that “failing to be transparent regarding source of its questionable UAE revenue growth, EROS utilized an internal ‘review’ to legitimize itself”; neither Skadden Arps nor the ‘Big Four’ accounting firm “enlisted for this internal review process actually review accounting journal entries specifically related to UAE revenues”; Spotlight Research “uncovered 11 UK companies with links to current and former EROS insiders linked to a questionable entity in the UAE, Globus, which lists itself as an EROS licensing customer”; both Eros’ “former CFO and controller were board members for a number of these UK companies, which in some cases had a shared address with EROS’s UK headquarters”; and “[o]ne UK entity, Rana Productions, is a clear related party to the UAE entity,” as it “generated a large amount of UAE revenue with uncollected receivables.”

- Orange Peel Investments’ claims in its June 9 Article that Asensio raised “serious questions”; Eros “is still not valued appropriately”; and that no time “is a good time to own Eros.”
Asensio's claims in the June 10 PCAOB Letter that the Outside Auditor Affiliate “does not [] accept responsibility for [the Outside Auditor’s] actions.”

Orange Peel Investments’ claims in the July 4 Article that Eros has not made any “tangible refutation” of Defendants’ “serious allegations.”

Asensio’s claims in the July 14 Activist Insight Interview that Asensio does not hold a short position in Eros and his campaign is not a case of activist short-selling; Eros’ UAE revenues are “preposterous, absurd [and] inexplicable”; and “[e]quity holders should not give Eros the benefit of the doubt only because the SEC does not get involved.”

Asensio’s claims in his July 18 Article that Parameswaran acts as Eros’ “rubber stamp” and, at Eros’ direction, did not conduct due diligence before he certified Eros’ amended annual reports; and Heffernan made a “conveniently timed exit” in July 2015 because “[t]here is reason to suspect that Heffernan could have concerns about making a personal certification.”

Asensio’s claims in the First August 12 Article that Eros achieved its favorable financial condition on the books only by factoring in its receivables, and Eros had not done so, it would have reported a negative free cash flow of $16.2 million; Eros obfuscated receivables issues by reporting a decrease in trade receivables, and only achieved a net decrease on the books by factoring in their accounts receivable and would have had an increase of $10.4 million in receivables had it not factored in its accounts receivable; Eros’ reduced net debt likewise arose from Eros’ improper failure to factor in its trade payables.

Asensio’s claims in the Second August 12 Article that Eros’ UAE revenues figure in its FY 2016 annual report were improperly lower than in prior reporting periods.

Spotlight Research’s claims in the August 18 Article that “strong evidence” shows that Globus and Rana Productions are undisclosed related parties of Eros that likely account for Eros’ “ballooning” UAE revenue.

Geolnvesting’s claims in the March 8 Article that it unearthed “stunning” and “explosive evidence” from a “former Eros ['] co-producer and Indian filmmaking expert,” including that Eros’ management is engaging in improper related party transactions with Next Gen; such transactions “raise[ ] serious questions about Eros’ accounting protocols”; Eros must be misstating the number of Eros Now users; and Eros’ revenue growth is inconsistent with its user growth in part due to anomalies in Eros’ ROW data; Eros committed accounting and reporting improprieties related to its Le Eco partnership, including that Eros inflated its Eros Now user count with Le Eco subscribers and hid the termination of its Le Eco partnership from investors; and Eros “may not be able to ever achieve a cash flow positive state.”
• Geoinvesting’s claims in the March 16 Article that Eros faces a liquidity crisis unless it conducts a “hasty dilutive equity offering that would theoretically have to dilute shares by high double digit percentages and destroy the stock price to just meet this year’s obligations”; Eros allowed the January 5, 2017 termination date of its credit agreement expire without letting investors know how it plans to proceed; Eros’ stated reasons for delaying its bond offering are false, and that Eros has “[un]healthy relationship with the provider of [its] revolving credit facility” and Eros’ “looming” contractual maturities “do not seem to give much room for error” and $220.6 million receivables data point is questionable.

• Geoinvesting’s claims in the March 29 Article that “[a] CNN India exposé [sic] catches four . . . director/producer/writers” who are “closely” linked with Eros, on hidden camera discussing methods for laundering money through their films; Eros “is involved with money laundering,” as others have “alleg[ed] outright”; there are serious questions regarding Eros’ “use of numerous offshore asset havens and its byzantine entity structure,” and “tumultuous financial controls,” including “(a) the use of at least 9 different auditors (b) 12 auditor resignations over the past 4 years and (c) insider allegations of the use of dummy production deals to channel assets to company family members.”; and Eros is heading towards a “toxic financing death spiral.”

• Unemon’s claims in the March 30 Article that data “confirm[s] that Netflix is eating Eros alive” in India.

• Unemon’s claims in the April 6 Article that, as a signal of Eros’ liquidity crisis, Eros pledged shares of Eros International Media as collateral for loans to three companies that qualify as “lender[s] of last resort” and failed to disclose these purported transactions to its investors.

• Unemon’s claims in the May 10 Article that Eros has reached the “last chapter of its journey” due to its catastrophic liquidity crisis; Eros had to postpone Sarkar 3 due to liquidity problems; and Eros is liquidating its investment in EIML, which would leave the Company’s shareholders with the “inferior” Eros Now arm of the Company’s business; and Eros has not disclosed these recent change[s] in the ownership structure” to its U.S. investors; and Eros Now has “failed to gain any meaningful traction in India [as] young generations are simply not using it” and “seems to be in a down-trend.”

• Unemon’s claims in its June 28 Article that Eros is self-dealing through related party transactions, and allegedly doing so due to its liquidity needs.

• Geoinvesting’s claims in the July 14 Article that Eros was “quietly” “unwinding” EIML; Eros’ disclosure in April that they were in executing refinancing options has been met with “troublesome” silence; Eros squandered its cash assets through an undisclosed related party transaction; recent changes to EIML’s auditor “raises questions” about whether the Outside Auditor will continue to serve as Eros’
independent outside auditor; and Eros’ annual report is “late” relative to its historical filing schedule.

- GeoInvesting’s claims in its July 18 Article that Eros lost majority voting control in EIML.

- Mangrove’s claims in the August 14 Article that Eros is “facing a liquidity crisis”; “recent sale rumors [or Eros Now to Apple, Netflix or Amazon] are not credible” and “just a distraction made necessary by a liquidity crisis at Eros”; at worst, “the SEC [will] fail to approve Eros’ shelf filing,” forcing Eros to “file for bankruptcy.”

- Hindenburg’s claims in the July 31 Article that Eros’ “asset sales” and potential shelf offering “spell” “ever-tightening liquidity issues with no clear solution on hand”; self-deals through its alleged “related party,” Eros Energy Singapore; a relative increase in Eros’ “Rest of the World” revenues undermines the Company’s financial disclosures; overstated its receivables; and constitutes a “ticking time bomb for investors.”

- Hindenburg’s claims in the August 7 Article that the potential deal between Apple, Netflix or Amazon and Eros Now was a rumor that Eros fabricated to artificially inflate its stock price.

- Hindenburg’s claims in the August 24 Article that Ayngaran “shows little financial activity with the exception of a series of large advances and payables,” which “renews questions relating to Eros’s receivables accounting practices.”

- ClaritySpring’s tweets claiming, among other falsehoods, that an alleged unaudited Eros subsidiary in Singapore owns 99% of Eros TV; that Eros was colluding with a Jefferies analyst to sugarcoat the Company’s financial statements and drive up Eros’ stock price; Eros will have a new auditor for its FY 2017 annual report; and Eros will be de-listed by the NYSE within the next year.

- Mangrove’s tweets claiming, among other falsehoods, that Eros is a “complete fraud”; reporting “[f]raudulent revenues” and “booking false content/rest of world sales”; and is suffering from a “liquidity crisis.”

350. As a proximate result of Defendants’ publication of false, misleading and defamatory statements cited herein, Eros has suffered injury to its business and reputation in an amount to be determined at trial.

351. Because Defendants’ conduct in publishing the false, misleading and defamatory statements cited herein was undertaken knowingly, willfully, maliciously, and in conscious
disregard of their falsity, Eros is entitled to an award of punitive damages in amount to be determined at trial.

**COUNT TWO**

**DEFAMATION**

(Against All Defendants)

352. Eros restates each and every allegation set forth in paragraphs 1 through 352 as if fully set forth herein.

353. As set forth herein, Defendants knowingly and intentionally published false and injurious statements about Eros and its businesses. Those publications include false statements and innuendo that Eros endorsed an “extraordinarily” improper audit structure designed to sweep alleged reporting errors under the rug; usurped its own law firm’s investigation into the alleged reporting errors in a calculated attempt to “whitewash” its name; overstated user counts for Eros Now; engaged in accounting fraud and money laundering; and carried out sham and illegal related party transactions.

354. Defendants published these false and misleading statements attacking Eros’ audits, accounting, statutory disclosures, alleged related party transactions and financial condition in analyst reports, articles, web postings, e-mails and direct communications.

355. Defendants’ false, defamatory and disparaging statements set forth herein concerning Eros were made and published with actual malice, as such statements were made by Defendants with knowledge of their falsity or reckless disregard for their truth.

356. Defendants published these falsehoods and innuendo to third-parties and understood and intended that these false statements would have the effect of injuring Eros’ reputation, preventing others from doing business with Eros, and interfering with Eros’ existing
business relationships. Those third parties include, among others, producers, film distributors, strategic partners, lenders, regulators, auditors, customers and investors.

357. Defendants’ injurious attacks on Eros’ business and reputation include but are not limited to the false and misleading allegations set forth in paragraph 350, above.

358. Defendants’ false statements directly harmed Eros’ business and reputation in numerous and specific ways, including causing lost profits, increased capital costs, increased expenses, legal fees and costs expended to mitigate the impact of Defendants’ attacks.

359. As a proximate result of Defendants’ publication of the false, misleading and defamatory statements cited herein, Eros has suffered monetary damages in an amount to be determined at trial.

360. Because Defendants’ conduct in publishing the false, misleading and defamatory statements cited herein was undertaken knowingly, willfully, maliciously and in conscious disregard of their falsity, Eros is entitled to an award of punitive damages in amount to be determined at trial.

**COUNT THREE**

**COMMERCIAL DISPARAGEMENT**

*(AGAINST ALL DEFENDANTS)*

361. Eros restates each and every allegation of paragraphs 1 through 361 as if fully set forth herein.

362. As set forth herein, Defendants knowingly and intentionally published false, misleading and disparaging statements attacking Eros’ solvency, business fundamentals and the quality of its products and services, including Eros Now. In the case of Eros, an up-and-coming company seeking to expand its business beyond India and make its mark globally, Defendants’ falsehoods directly interfere with Eros’ ability to strengthen its core business, cultivate
technological advances and gain the momentum to necessary to grow and compete in international markets such as the United States.

363. Defendants communicated these falsehoods to third-parties and understood and intended that these false and misleading statements would have the effect of preventing others from doing business with Eros and interfering with and disrupting Eros’ business relationships.

364. As set forth herein, these injurious attacks on Eros’ business, and in particular the quality of its products and services, include but are not limited to the false and misleading allegations that:

• Asensio’s claims in his June 9 Article that Eros Now is overvalued.

• Spotlight Research’s claims in its June 9 Article that App Annie and other websites shows that Eros inflated the number of registered users accessing and interacting with Eros Now; and the term “Registered User” is “meaningless and misleading” because it has “no meaningful correlation with users that can actually be monetized through subscriptions or advertising since the vast majority of them related to the unrelated Techzone acquisition and cannot be easily migrate [sic] to Eros Now.”

• GeoInvesting’s claims in the March 8 Article that Eros inflated its Eros Now user count with Le Eco subscribers; and Eros “may not be able to ever achieve a cash flow positive state.”

• GeoInvesting’s claims in the March 16 Article that Eros faces a liquidity crisis unless it conducts a “hasty dilutive equity offering that would theoretically have to dilute shares by high double digit percentages and destroy the stock price to just meet this year’s obligations.”

• GeoInvesting’s claims in the March 29 Article that Eros is heading towards a “toxic financing death spiral.”

• Unemon’s claims in the March 30 Article that data “confirm[s] that Netflix is eating Eros alive” in India.

• Unemon’s claims in the April 6 Article that, as a signal of Eros’ liquidity crisis, Eros pledged shares of Eros International Media as collateral for loans to three companies that qualify as “lender[s] of last resort.”

• Unemon’s claims in the May 10 Article that Eros has reached the “last chapter of [its] journey” due to its catastrophic liquidity crisis; Eros had to postpone
Sarkar 3 due to liquidity problems; Eros is liquidating its investment in Eros International Media, which would leave the Company’s shareholders with the “inferior” Eros Now arm of the Company’s business; and Eros Now has “failed to gain any meaningful traction in India [as] young generations are simply not using it” and “seems to be in a down-trend.”

365. Defendants’ false statements directly harmed Eros’ business in numerous specific ways, including without limitation: lost profits resulting from lost underwriting business, increased capital costs; increased expenses; legal fees, and costs expended to mitigate the impact of Defendants’ attack.

366. Defendants’ wrongful disparagement of Eros’ businesses in these and other respects has caused Eros to suffer monetary damages in an amount to be determined at trial.

367. Because Defendants’ conduct in publishing the false, misleading and disparaging statements cited herein was undertaken knowingly, willfully, maliciously, and in conscious disregard of their falsity, Eros is entitled to an award of punitive damages in an amount to be determined at trial.

**COUNT FOUR**

FALSE LIGHT UNDER PENNSYLVANIA LAW (AGAINST THE GEOINVESTING DEFENDANTS)

368. Eros restates each and every allegation set forth in paragraphs 1 through 368 as if fully set forth herein.

369. Defendants knowingly and intentionally published false and highly offensive statements about Eros. Those publications include statements that Eros engaged in accounting and other financial reporting fraud, overstated its film releases and Eros Now user counts and carried out sham and illegal transactions.
370. Defendants published these false and highly offensive statements attacking Eros’ business fundamentals, their accounting practices, their financial strength, and the integrity of their executives, in analyst reports, articles, web postings, e-mails and direct communications.

371. Defendants’ false and highly offensive statements set forth herein concerning Eros were made and published with actual malice, as such statements were made by Defendants with knowledge of their falsity or reckless disregard for their truth.

372. Defendants published these falsehoods to third-parties and understood and intended that these false and highly offensive statements would have the effect of injuring Eros’ reputation, preventing others from doing business with Eros, and interfering with Eros’ existing business relationships. Those third parties include, among others, regulatory and law enforcement agencies, investors and the public in general.

373. As set forth herein, these injurious attacks on Eros include but are not limited to the false and misleading allegations set forth in paragraph 350, above.

374. As a proximate result of Defendants’ publication of false and highly offensive statements cited herein, Eros has suffered injury to its business and reputation in an amount to be determined at trial.

375. Because Defendants’ conduct in publishing the false and highly offensive statements cited herein was undertaken knowingly, willfully, maliciously, and in conscious disregard of their falsity, Eros is entitled to an award of punitive damages in amount to be determined at trial.
COUNT FIVE

TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS RELATIONS
AGAINST ALL DEFENDANTS

376. Eros restates each and every allegation of paragraphs 1 through 376 as if fully set forth herein.

377. Eros had prospective business relationships with many third-parties, including, but not limited to: (i) potential customers; (ii) potential producers; (iii) potential distributors of Eros’ services and products; (iv) potential investors; (v) potential lenders; and (vi) shareholders and management of various companies under consideration for a strategic transaction (e.g., an acquisition by Eros).

378. Each of the defendants knew of Eros’ potential business relationships with these third parties.

379. Defendants intentionally and maliciously interfered with Eros’ prospective business relationships with these third-parties by employing wrongful means, including but not limited to, the dissemination of false and misleading statements concerning Eros’ business. This interference was committed intentionally and without justification or excuse and was carried out by, among other things:

- Defendants’ publication of false and misleading information about Eros, including:
  - Spotlight Research’s June 9 and August 18 Articles;
  - Orange Peel Investment’s June 9 and July 4 Articles;
o GeoInvesting’s March 8, March 16, March 29, July 14, and July 18 Articles;

o Unemon’s March 30, April 6, May 10 Article and June 28 Articles;

o Mangrove’s August 14 Article;

o Hindenburg’s July 31, August 7 and August 24 Articles; and

o Defendants’ numerous defamatory tweets.

- Defendants’ dissemination of the false and misleading information and innuendo to Eros’ prospective customers and business partners, including potential producers, distributors, investors, lenders and shareholders and management of various companies under consideration for acquisition by Eros.

380. As a direct and proximate cause of Defendants’ intentional interference with Eros’ prospective business relationships with third-parties, Eros’ business relationships were damaged, including in connection with its U.S. Dollar Reg-S bond offering in March 2017 and revolving credit facility agreement extensions.

381. Defendants’ wrongful interference with Eros’ prospective business relationships caused Eros to suffer monetary damages in an amount to be determined at trial.

382. Because Defendants’ wrongful interference with Eros’ prospective business relationships cited herein was deliberate and was undertaken knowingly, willfully and with malice, Eros is entitled to an award of punitive damages in amount to be determined at trial.

COUNT SIX

TORTIOUS INTERFERENCE WITH CONTRACT
(AGAINST ALL DEFENDANTS)

383. Eros restates each and every allegation set forth in paragraphs 1 through 383 as if fully set forth herein.
384. As set forth herein, Eros had contracts and agreements with third-parties, including but not limited to: (i) customers; (ii) producers; (iii) distributors of Eros’ services and products; (iv) investors; and (v) lenders.

385. Each of these Defendants knew of Eros’ contractual relationships with these third-parties.

386. Defendants intentionally and maliciously interfered with Eros’ contractual relationships with these third-parties by employing wrongful means, including but not limited to, the dissemination of false and misleading statements concerning Eros’ business. This interference was committed intentionally and without justification or excuse and was carried out by, among other things:

- Defendants’ publication of false and misleading information about Eros, including:
  - Spotlight Research’s June 9 and August 18 Articles;
  - Orange Peel Investment’s June 9 and July 4 Articles;
  - GeoInvesting’s March 8, March 16, March 29, July 14, and July 18 Articles;
  - Unemon’s March 30, April 6, May 10 Article and June 28 Articles;
  - Mangrove’s August 14 Article;
  - Hindenburg’s July 31, August 7 and August 24 Articles; and
  - Defendants’ numerous defamatory tweets.

- Defendants’ dissemination of the false and misleading information and innuendo to Eros’ prospective customers and business partners, including potential
producers, distributors, investors, lenders and shareholders and management of various companies under consideration for acquisition by Eros.

387. As a direct and proximate cause of Defendants’ intentional interference with Eros’ contractual relationships with third-parties, Eros’ contractual relationships were damaged.

388. Defendants’ wrongful interference with Eros’ contractual relationships caused Eros to suffer monetary damages in an amount to be determined at trial.

389. Because Defendants’ wrongful interference with Eros’ contractual relationships cited herein was deliberate and was undertaken knowingly, willfully, and with malicious intent, Eros is entitled to an award of punitive damages in amount to be determined at trial.

COUNT SEVEN
CIVIL CONSPIRACY
AGAINST ALL DEFENDANTS

390. Eros restates each and every allegation of paragraphs 1 through 390 as if fully set forth herein.

391. As set forth herein, each of the defendants, together with others, conspired with respect to Counts 1 through 6, and acted in concert to commit unlawful acts. Each of the defendants shared the same conspiratorial objective, which was to create and disseminate false and misleading statements and reports concerning Eros and to engage in market manipulation of its securities, with the intent of harming Eros’ businesses and profiting from that harm. Each of the defendants understood the objectives of the scheme, accepted them, and was an active and knowing participant in the scheme.

392. Defendants’ conspiratorial scheme was carried out by the commission of the wrongful and overt acts set forth above, including, but not limited to:

- Defendants’ publication of false and misleading information about Eros, including:
• Defendants’ dissemination of the false and misleading information and innuendo to Eros’ prospective customers and business partners, including potential producers, distributors, investors, lenders and shareholders and management of various companies under consideration for acquisition by Eros.

393. At all relevant times, Defendants’ conduct was willful and done with legal malice and knowledge that it was wrongful.

394. As a direct, proximate result of the operation and execution of the conspiracy, Eros has been injured and suffered damages in an amount to be proven at trial.

WHEREFORE, Eros demands judgment:

a) Awarding Eros compensatory damages in amounts to be determined at trial, together with interest, attorneys’ fees, costs and disbursements;

b) Awarding Eros punitive and exemplary damages in amounts to be determined at trial;
c) Awarding Eros injunctive relief preventing Defendants from engaging in continued wrongful activity, as set forth herein, in the form that the Court may determine is just and proper;

d) Disgorging profits Defendants gained as a result of their wrongful activity;

e) Prejudgment and post-judgment interest; and

f) Such other and further relief as this Court shall deem just and appropriate.

**JURY DEMAND**

Eros hereby demands trial by jury on all issues properly triable thereby.

Dated: New York, New York
September 29, 2017

KASOWITZ BENSON TORRES LLP

By: /s/ Michael J. Bowe

Michael J. Bowe
(mbowe@kasowitz.com)
Stephen W. Tountas
(stountas@kasowitz.com)
Alexander B. Simkin
(asimkin@kasowitz.com)

1633 Broadway
New York, New York 10019
Tel: (212) 506-1700

*Attorneys for Plaintiff Eros International Plc*