PRESS RELEASE

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Directorate of Enforcement (ED), Mumbai Zonal Office has conducted search operations on 05.02.2025, under the Foreign Exchange Management Act (FEMA), 1999 at five locations in Mumbai as part of an ongoing probe in the case of alleged fund diversion by **Eros International Media Ltd and other** entities of EROS group. During the course of search operations, various incriminating documents pertaining to overseas entities, immovable properties, overseas bank accounts and digital devices have been found and seized.

ED has initiated investigation on the basis of SEBI investigation against EROS group and its promoters for alleged misrepresentation of financials and diversion/ siphoning of funds amounting to around Rs 2000 Crore. The main entity of EROS group is “Eros International Media Ltd.”, which is an Indian motion picture production and distribution company. Eros co-produces, acquires and distributes Indian films in multiple formats worldwide, including theatrical, television syndication and digital platforms.

During the course of ED investigation, evidences have been gathered which indicates the modus identified in the diversion of funds. In this case, it has been found that EROS paid Rs. 2000 Crore (approx.) as content advances to certain entities between FY 2012-13 and FY 2020-21. Eros wrote off major amounts due from these entities under the pretext of non-recovery due to the Covid-19 pandemic as a part of a balance sheet cleaning exercise. In this manner, EROS had devised a scheme to inflate its financial statements by paying content advances, which were later diverted or round-tripped back to the company, with fictitious movie rights purchases used to hide the true nature of these transactions.

Further investigation is under progress.