

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

in Settlement Application bearing No.

- 1. 6416/2021 filed by Ms. Aarushi Jain [PAN : ALDPA0378H]**
- 2. 6417/2021 filed by Mr. Arun Jain [PAN : AAHPJ6020E]**

in the matter of Intellect Design Arena Limited

1. Ms. Aarushi Jain and Mr. Arun Jain (hereinafter referred to as “applicants”) had filed separate settlement applications in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “Settlement Regulations”) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the pending enforcement proceedings under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the SEBI Act, 1992 initiated vide Show Cause Notice bearing No. SEBI/HO/IVD/ID08/OW/P/2021/1330/2 dated January 15, 2021 for the alleged violations of Section 12A (d) & (e) of the SEBI Act, 1992 and 4(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 by Ms. Aarushi Jain and Section 12A (d) & (e) of the SEBI Act, 1992 and Regulations 3(1) and 4(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 by Mr. Arun Jain respectively.
2. SEBI had conducted an investigation into the insider trading activities in the scrip of Intellect Design Arena Ltd. (hereinafter referred to as “IDAL”) for the period February 13, 2018 to June 07, 2018 (investigation period). IDAL on June 07, 2018 informed the Stock Exchanges regarding a press release titled “Intellect and IBM to deliver seamless digital transformation to the world’s largest banks with IBM cloud”. The said

information was considered as Unpublished Price Sensitive Information (UPSI) and the period of UPSI was February 13, 2018 to June 07, 2018. Mr. Arun Jain, Chairman and Managing Director and promoter of IDAL, was alleged to be in possession of the UPSI. It is alleged that he communicated the same to his daughter, Ms. Aarushi Jain, and also funded her trades. Based on the UPSI communicated by her father, Ms. Aarushi Jain bought 1,00,000 shares of IDAL.

3. Pursuant to the receipt of the settlement applications, the authorized representatives of the applicants deliberated upon the settlement terms with the Internal Committee of SEBI on April 30, 2021. Thereafter, the applicants vide letter dated May 07, 2021 proposed the revised settlement terms to settle the defaults mentioned at para 1 above.
4. The High Powered Advisory Committee (hereinafter referred to as the "HPAC") in its meeting held on May 28, 2021 considered the proposed settlement terms by the applicant and recommended the case for settlement upon payment of following settlement amount:

Sl. No.	Settlement Application no. and Name of the applicant	Settlement Terms formulated as per SEBI (Settlement Proceedings) Regulations, 2018
1.	6416/2021 - Ms. Aarushi Jain	₹22,31,250 (Rupees Twenty Two Lakh Thirty One Thousand Two Hundred and Fifty only) as settlement amount and ₹13,78,000/- (Rupees Thirteen Lakh and Seventy Eight Thousand only) as disgorgement of alleged ill-gotten gains along with interest thereupon amounting to ₹4,83,848/- (Rupees Four Lakh Eighty Three Thousand Eight Hundred and Forty Eight only)

2.	6417/2021 - Mr. Arun Jain	₹1,35,45,000/- (Rupees One Crore Thirty Five Lakh and Forty Five Thousand only)
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5. The applicants have remitted the amounts towards the settlement amount along with the amount of ill-gotten gains to be disgorged, as part of the settlement terms with following details and intimated the same to SEBI vide letter dated June 22, 2021. The receipt of the same was confirmed upon verification.

Sl. No.	Settlement Application no. and Name of the applicant	Settlement Terms formulated as per SEBI (Settlement Proceedings) Regulations, 2018	Payment Details (UTR/Reference No.)
1.	6416/2021 - Ms. Aarushi Jain	₹22,31,250 (Rupees Twenty Two Lakh Thirty One Thousand Two Hundred and Fifty only) as settlement amount and ₹13,78,000/- (Rupees Thirteen Lakh and Seventy Eight Thousand only) as disgorgement of alleged ill-gotten gains along with interest thereupon amounting to ₹4,83,848/- (Rupees Four Lakh Eighty Three Thousand Eight Hundred and Forty Eight only)	ICICR52021062100205296, ICICR52021062100204625 and ICICR52021062100204880 dated 21/06/2021
2.	6417/2021 - Mr. Arun Jain	₹1,35,45,000/- (Rupees One Crore Thirty Five Lakh and Forty Five Thousand only)	ICICR52021062100206728 dated 21/06/2021

6. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged defaults as mentioned in paragraph 1 above are settled *qua* the applicants as per the following terms:
- i. SEBI shall not initiate enforcement action against the applicants for the said defaults;
 - ii. this order disposes of the enforcement proceedings initiated by SEBI for the defaults as mentioned above in respect of the applicants; and
 - iii. passing of this Order is without prejudice to the right of SEBI under regulation 28 of the Settlement Regulations to take enforcement actions including continuing proceedings against the applicants, if SEBI finds that:
 - a. any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - c. there was a discrepancy while arriving at the settlement terms.
7. This settlement order is passed on this 13th day of July, 2021 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicant and also be published on the website of SEBI.

Sd/-

S.K. MOHANTY
WHOLE TIME MEMBER

Sd/-

ANANTA BARUA
WHOLE TIME MEMBER