

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**

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**SETTLEMENT ORDER**

**in Summary Settlement Application No. SS – 32 of 2020**

**filed by Sonata Software Limited [PAN: AABCS8459D]**

**in the matter of Sonata Software Limited**

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1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had conducted an examination in the matter of Sonata Software Limited (hereinafter referred to as 'the applicant'). During the said examination, it was observed that the applicant had delayed making disclosures as required under Regulation 7(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'PIT Regulations'), in respect of securities traded by Mr. Mohammed Naveen Ajmal (hereinafter referred to as 'Mr. Mohammed'), an employee of the applicant.
2. It was observed from the examination that during the July – September 2018 quarter, the value of the securities traded by Mr. Mohammed had aggregated to Rs. 35,90,014.35/-. This was in excess of Rs. 10 Lakh, thus requiring disclosure under Regulation 7(2) (a) of the PIT Regulations by Mr. Mohammed to the applicant, which in turn was required to disclose it to the stock exchange on which the securities are listed. It was also observed that the applicant became aware of the transaction made by Mr. Mohammed on September 10, 2018 from the weekly Beneficiary Position (BENPOS) submitted by M/s Karvy Fintech Pvt. Ltd. The applicant was required to make disclosure to the stock exchange about the above mentioned transaction within two working days i.e. on or before September 12, 2018, but the same was disclosed only on October 24, 2018 with a delay of 42 days, thus violating Regulation 7(2)(b) of the PIT Regulations.

3. Before initiating proceedings under Section 15A(b) of the SEBI Act, 1992, a 'Notice of Summary Settlement' dated January 21, 2020 and a revised summary settlement notice dated February 24, 2020 (hereinafter referred to as 'notice'), was issued to the applicant, intimating thereby that the proceedings (to be initiated), may be settled and disposed of upon filing of a settlement application under Chapter-II of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as 'Settlement Regulations') along with remittance of settlement amount of Rs. 3,00,000/- (Rupees Three Lakh only) to SEBI in terms of Chapter VII of the Settlement Regulations, within 30 calendar days from the date of receipt of the notice.
4. In reply, the applicant has filed an application for settlement, which was received by SEBI on March 20, 2020, in terms of Chapter VII of the Settlement Regulations, without admitting or denying the findings of fact and conclusions of law, proposing to settle the defaults as discussed in para 1 above, through a settlement order. The applicant vide its e-mail dated June 23, 2020, intimated the remittance of Rs. 3,00,000/- (Rupees Three Lakh only) towards the settlement charges, vide NEFT UTR No. SIN00445Q0666674 dated June 23, 2020. The receipt of same was also confirmed upon verification.
5. 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 proposed proceedings that could have been initiated for the defaults as discussed in paragraph 1 above are settled *qua* the applicant as per the following terms;
  - i. SEBI shall not initiate any enforcement action against the applicant for the said defaults;
  - ii. this order disposes of the proceedings that may be initiated for the defaults as mentioned above, in respect of the applicant; and

- iii. passing of this Order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
  - a. any representation made by the applicant in the present settlement proceedings is subsequently found to be untrue;
  - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
- 6. This settlement order is passed on this 15<sup>th</sup> day of July, 2020 and shall come into force with immediate effect.
- 7. 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**