

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

**in Summary Settlement Application No. SS – 29 of 2020
filed by Mr. Mohammed Naveen Ajmal [PAN: ACUPA5828N]
in the matter of Sonata Software Limited**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had carried out a preliminary investigation in the matter of Sonata Software Limited (hereinafter referred to as 'the Company'). During the said investigation, it was observed that Mr. Mohammed Naveen Ajmal (hereinafter referred to as the 'applicant') had delayed making disclosures as required under Regulation 7(2)(a) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'PIT Regulations'), in respect of the change in his shareholding in the Company.
2. During the quarter July 2018 to September 2018, the applicant executed multiple trades in the shares of the Company, the value of which aggregated to Rs. 35,90,014.35/-. Since the value of the trades exceeded Rs. 10 Lakhs, the aforesaid trades were required to be disclosed to the company under Regulation 7(2)(a) of the PIT Regulations within two working days, i.e. by September 06, 2018. However, it was observed during the investigation that the same was disclosed only on October 23, 2018 with a delay of 48 days.
3. Before initiating proceedings under Section 15A(b) of the SEBI Act, 1992, a 'Notice of Summary Settlement' dated January 21, 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 February 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 along with the said letter, remitted a sum of Rs. 3,00,000/- (Rupees Three Lakh only) towards the settlement charges, vide Demand Draft bearing No. 896831 dated February 18, 2020.
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 20th day of March, 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.

S.K. MOHANTY
WHOLE TIME MEMBER

ANANTA BARUA
WHOLE TIME MEMBER