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IT Firm Rolta International's Chapter 11 Bid Tossed by Bankruptcy Judge

Rolta International's creditors said they are owed more than \$200 million by the Alpharetta, Georgia-based IT company, which has offices around the country and in Canada.

By Greg Land | January 28, 2021



Daniel Saval of Kobre & Kim. Courtesy photo

A federal bankruptcy judge in Alabama tossed out ([//images.law.com/contrib/content/uploads/documents/404/57508/Rolta-International-Bankruptcy-dismissal-order.pdf](https://images.law.com/contrib/content/uploads/documents/404/57508/Rolta-International-Bankruptcy-dismissal-order.pdf)) a bid by information technology company Rolta International to seek Chapter 11 protection, agreeing with a group of creditors owed more than \$200 million that the company "did not have a realistic ability to effectively reorganize."

Rolta International, a subsidiary of India-based multinational Rolta India, is headquartered in Alpharetta, Georgia, and has more than a dozen locations around the United States and Canada, while its Mumbai-based parent hosts locations around the world.

In October it filed for Chapter 11 in U.S. Bankruptcy Court for Alabama's Northern District.

Rolta International's petition ([//images.law.com/contrib/content/uploads/documents/404/57508/Rolta-International-Chapeter-11-petition.pdf](https://images.law.com/contrib/content/uploads/documents/404/57508/Rolta-International-Chapeter-11-petition.pdf)) said it had estimated assets of \$50,000 or less, and estimated liabilities of between \$500 million and \$1 billion.

A group of creditors, including Pinpoint Multi-Strategy Master Fund, Value Partners Fixed Income SPC – Value Partners Credit Opportunities Fund SP and Value Partners Greater China High Yield Income Fund, which hold bonds issued by Rolta and are owed more than \$200 million by the company, asked the court to dismiss the petition.

According to a release announcing the dismissal, the judgment creditors argued that Rolta's petition was filed in bad faith and only came in response to a deadline issued by a New York court for the company to turn over its assets and interests in certain subsidiaries to Pinpoint and the Value Partners funds.

"The creditors also established a substantial record showing that the debtors had no reasonable chance at reorganizing and emerging from Chapter 11," it said.

On Jan. 26, U.S. Bankruptcy Court Judge Clifton Jessup Jr. convened a hearing on that and other motions.

"The Court carefully considered the pleadings, arguments of counsel, and the substantive law, and for the reasons stated on the record finds that this case should be dismissed," wrote Jessup in an order issued that day, "because the Debtor does not have a realistic ability to effectively reorganize."

Lawyers for the judgment creditors include Daniel Saval, John Han, Donna Xu, Jef Klazen and Geoffrey Derek of Kobre & Kim (<https://kobrekim.com/>) in New York.

"It is difficult and rare to get a Chapter 11 case dismissed given the policy of the U.S. Bankruptcy Code to afford debtors a fresh start," said Saval in a statement. "We are gratified that the court carefully considered our arguments and concluded that these cases were not appropriate for Chapter 11."

The attorney for Rolta International, Stuart Maples of Huntsville's Maples Law Firm (<https://mapleslawfirm.com/>), did not immediately reply to a request for comment Thursday; there was also no immediate response to a query emailed to Rolta's headquarters in Mumbai.

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