

RatingsDirect®

Research Update:

Rolta India Ltd. Rating Lowered To 'D' Due To Missed Interest Payment

Primary Credit Analyst:

Ashutosh Sharma, ACA, Singapore (65) 6239-6307; ashutosh.sharma@spglobal.com

Secondary Contact:

Abhishek Dangra, FRM, Singapore (65) 6216-1121; abhishek.dangra@spglobal.com

Table Of Contents

Overview

Rating Action

Rationale

CreditWatch

Related Criteria And Research

Ratings List

Research Update:

Rolta India Ltd. Rating Lowered To 'D' Due To Missed Interest Payment

Overview

- Rolta failed to pay the interest on its 2018 senior unsecured guaranteed notes within the allowed 30-day grace period. The India-based company's US\$35 million bank loans due since March 31, 2016, also remain unpaid.
- We are lowering our long-term corporate credit rating on Rolta to 'D' (default) from 'SD' (selective default) and our issue rating on the 2018 senior unsecured notes that the company guarantees to 'D' from 'CC'.
- We believe a default on the 2019 senior unsecured notes that Rolta guarantees is almost certain.
- Our 'CC' long-term issue rating on the 2019 notes remains on CreditWatch with negative implications.

Rating Action

On June 20, 2016, S&P Global Ratings lowered its long-term corporate credit rating on Rolta India Ltd. (Rolta) to 'D' (default) from 'SD' (selective default). We also lowered our long-term issue rating on the 2018 senior unsecured notes issued by Rolta, LLC to 'D' from 'CC'. Our 'CC' issue rating on the 2019 senior unsecured notes issued by Rolta Americas LLC remains on CreditWatch with negative implications. Both sets of notes are guaranteed by Rolta, an India-based information technology products and solutions provider.

Rationale

We downgraded Rolta because the company failed to pay the US\$6.8 million interest due on its 2018 senior unsecured guaranteed notes, even after the expiry of the 30-day grace period. The management had expected the trustee to make the coupon payments from its interest reserve account, but that hasn't happened yet. Rolta's US\$35 million bank loans due since March 31, 2016, also remain unpaid.

We believe a default on Rolta's 2019 senior unsecured guaranteed notes is almost certain because the company has not shared any detailed plan for repayment with us.

The Rolta management has said that it is currently working on addressing the overall situation in consultation with its bankers and strategic advisors.

CreditWatch

The CreditWatch on the 2019 guaranteed notes reflects that these notes are highly vulnerable to a default.

We will lower our rating on these notes to 'D' if Rolta fails to pay its coupon as it comes due.

We will resolve the CreditWatch if Rolta makes the necessary payments on all its debts and provides a credible plan to meet its debt obligations over the next six months.

Related Criteria And Research

Related Criteria

- Criteria - Corporates - Industrials: Key Credit Factors For The Technology Software And Services Industry - November 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers - May 07, 2013
- Criteria - Corporates - General: Corporate Methodology - November 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments - November 19, 2013
- General Criteria: Understanding Standard & Poor's Rating Definitions - June 03, 2009
- General Criteria: Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings - October 01, 2012
- Criteria - Corporates - General: 2008 Corporate Criteria: Rating Each Issue - April 15, 2008
- General Criteria: Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings - October 24, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers - November 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009

Related Research

- Bulletin: Rolta India Ltd. Ratings Unaffected By Proposed Coupon Payment From Interest Reserve, June 15, 2016
- Research Update: Rolta India Ltd. Rating Lowered To 'SD' Following Payment Default On A Credit Facility, May 31, 2016
- Research Update: Rolta India Ltd. Rating Lowered To 'CCC-' And Placed On Watch Negative On Possible Default, May 29, 2016

Ratings List

Downgraded

	To	From
Rolta India Ltd. Corporate Credit Rating	D/--/--	SD/--/--

Downgraded; CreditWatch/Outlook Action

	To	From
Rolta, LLC Senior Unsecured	D	CC/Watch Neg

Ratings Affirmed

Rolta Americas LLC Senior Unsecured	CC/Watch Neg
--	--------------

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2016 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.