

GANMUR MADHUSUDHAN REDDY

Insolvency Professional

Reg. No. IBBI/IPA-002/IP-No1308/2024-2025/14503

27th February 2026

To,

The Insolvency and Bankruptcy Board of India

Respected Sir/Madam,

Subject: Clarification Regarding Distribution of Surplus to Shareholders – Voluntary Liquidation of V.V.S Software and Solutions Private Limited.

I, Ganmur Madhusudhan Reddy, Insolvency Professional bearing Registration No. IBBI/IPA-002/IP-01308/2024-2025/14503, acting as the Liquidator of V.V.S Software and Solutions Private Limited (in voluntary liquidation), submit the following clarification for record:

1. A public announcement was duly made in accordance with Regulation 14 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, inviting claims from stakeholders.
2. In response to the public announcement, one financial creditor submitted his claim. The claim was verified and admitted in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.
3. Liquidation costs were determined and paid in priority as required under Section 53 of the Code.
4. The admitted financial creditor was paid in full.
5. Upon settlement of liquidation costs and admitted claims, a surplus amount remained available for distribution.
6. No claim forms were received from the shareholders of the company.

It is respectfully submitted that under Regulation 15 read with Regulation 19 of the IBBI (Voluntary Liquidation Process) Regulations, 2017, a stakeholder may prove its claim in the prescribed form (including Form F for other stakeholders). However, shareholders, being contributories, are not creditors of the company and do not hold a “claim” in the nature of debt.



[Handwritten Signature]

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Their right arises only upon availability of surplus after satisfaction of liquidation costs and higher-priority claims.

Accordingly:

- **Their entitlement is automatic under Section 53 of the Code.**
- **They are entitled to the surplus as contributories by operation of law once all higher-priority claims have been paid in full.**
- **They are not asserting any right other than distribution of residual funds strictly in accordance with the waterfall mechanism prescribed under Section 53 of the Code.**

In view of the above, no separate proof of claim was required from shareholders for distribution of surplus. The balance amount was distributed among the shareholders in proportion to their respective shareholding as per the Register of Members and company records.

The distribution has been carried out strictly in compliance with Section 53 of the Insolvency and Bankruptcy Code, 2016 and the IBBI (Voluntary Liquidation Process) Regulations, 2017.

This clarification is submitted for your record.

Yours faithfully,


G. Madhusudhan Reddy



Liquidator of V.V.S. Software and Solutions Private Limited

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AFA valid up to 30/06/2026

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