

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL  
PRINCIPAL BENCH, NEW DELHI**

**Company Appeal (AT) (Insolvency) No. 800 of 2025**

**[Arising out of the Impugned Order dated 28.03.2025 passed by the  
Adjudicating Authority, National Company Law Tribunal, Ahmedabad  
Bench-II in CP (IB) No. 354 (AHM)/2024]**

**In the matter of:**

**VINOD SINGH**

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Private Limited  
House No. 814, Himshika Colony  
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...Appellant

**Versus**

**1. CHANDRA PRAKASH JAIN**

Erstwhile liquidator of Transmissions  
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**3. Andrea Hilda Braganca**

**Alemao Porter**

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...Respondents

**Present:**

For Appellant : Mr. Abhijeet Sinha Sr. Advocate with Mr. Divyam Aggarwal, Mr. Aniket Aggarwal and Ms. Kavya Jha, Advocates.

For Respondent : Mr. Gaurav Mitra Sr. Advocate with Mr. Ravi Raghunath, Ms. Honey Satpal and Mr. Nipun Singhvi, Ms. Aishwarya Modi and Mr. Kanishk Khullar, Advocates for R-1.

Mr. Abhimanyu Bhandari Sr. Advocate with Mr. Vishal Ganda, Mr. Anshit Aggarwal and Ms. Diksha Joshi, Advocates for R6.

**WITH**  
**Company Appeal (AT) (Insolvency) No. 801 of 2025**

**[Arising out of the Impugned Order dated 29.04.2025 passed by the Adjudicating Authority, National Company Law Tribunal, Ahmedabad Bench-II in IA No. 450(AHM)/2025 in Company Petition (IB) No. 354(AHM)/2024]**

**In the matter of:**

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House No. 814, Himshika Colony  
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For Appellant : Mr. Abhijeet Sinha Sr. Advocate with Mr. Divyam Aggarwal, Mr. Aniket Aggarwal and Ms. Kavya Jha, Advocates.

For Respondent : Mr. Gaurav Mitra Sr. Advocate with Mr. Ravi Raghunath, Ms. Honey Satpal and Mr. Nipun Singhvi, Ms. Aishwarya Modi and Mr. Kanishk Khullar, Advocates for R-1.

Mr. Abhimanyu Bhandari Sr. Advocate with Mr. Vishal Ganda, Mr. Anshit Aggarwal and Ms. Diksha Joshi, Advocates for R6.

**J U D G M E N T**  
**(Hybrid Mode)**

**Per: Barun Mitra, Member (Technical)**

Present is a set of two appeals filed under Section 61 of Insolvency and Bankruptcy Code, 2016 (“**IBC**” in short) by the common Appellant-Managing Director of the Corporate Debtor which arises out of two orders dated 28.03.2025 and 29.04.2025 (hereinafter referred to as “**Impugned Order**”) passed by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad Bench-II) in IA No. 450(AHM)/2025 in Company Petition (IB) No. 354(AHM)/2024. Aggrieved by the impugned order dated 28.03.2025, Company Appeal No. 800 of 2025 has been filed by the Appellant challenging the said order passed in I.A No. 450 of 2025 by which the Adjudicating Authority has directed that status quo as on date be maintained with regard to the Liquidator-Respondent No.1. The second Company Appeal No. 801 of 2025 has been filed challenging the impugned order dated 29.04.2025 passed in I.A. No. 450 of 2025 by which the Adjudicating Authority has de-reserved its earlier order of 02.04.2025 for

judgement and pronouncement on IA No. 450 of 2025 challenging removal of Respondent No.1-Liquidator.

**2.** It may be pertinent to mention that the facts of both the appeals stem from the same sequence of events. We are therefore conjointly outlining the relevant event for deciding both the appeals as below:

22.02.2024	The Corporate Debtor of Transmissions International India Private Limited (" <b>TIPL</b> " in short) passed a resolution approving voluntary liquidation of TIPL in terms of Section 59 of the IBC and the Voluntary Liquidation Regulations.
21.03.2024	In an EGM, the shareholders of TIPL passed resolutions consenting to the voluntary liquidation of TIPL and appointing Mr. Umesh Ved (" <b>First Liquidator</b> ") as the liquidator.
31.05.2024	Rs.134.99 crores was repatriated to the majority shareholder i.e., Respondent No. 2 of TIPL, while retaining Rs 29 crores in Corporate Debtor's bank account, in accordance with VL Regulation.
18.09.2024	The shareholders of TIPL passed a resolution for replacing the First Liquidator with Respondent No. 1 - Mr. Chandra Prakash Jain.
03.12.2024	Respondent No.1 filed an application IA No. 1834(AHM)/2024 before Adjudicating Authority seeking directions for return of the money repatriated to Corporate Debtor's shareholders.
28.02.2025	Board of directors of Corporate Debtor passed resolutions for replacing Respondent No. 1 as the liquidator and for appointing Respondent No. 6 as the new liquidator in place of Respondent No. 1, and for convening an EGM.
05.03.2025	The Appellant filed his reply to Respondent No. 1's IA No. 1834 of 2024, highlighting Respondent No. 1's continuous and consistent breaches of the IBC and violating his statutory and fiduciary duties.
17.03.2025	EGM was convened, where shareholders of Corporate Debtor passed resolutions for replacing Respondent No. 1 as liquidator and appointing Respondent No. 6 as the new liquidator.
19.03.2025	Respondent No. 2 issued an email to Respondent No. 1 informing him that he was relieved from his duties as liquidator of TIPL.

20.03.2025	Respondent No. 6 - the newly appointed liquidator issued an email calling upon Respondent No. 1 to handover documents/ information pertaining to the voluntary liquidation in terms of VL Regulation 41(4). Respondent No.1 purportedly has failed to comply to the above request.
21.03.2025	Respondent No.1 filed an application IA No. 450(AHM)/2025 before Adjudicating Authority challenging his removal from the position of liquidator of TIPL which hereinafter is referred to “ <b>Removal Application</b> ” for convenience.
27.03.2025	The Appellant and Respondent Nos. 2 to 5 filed a 'Note on Submissions' in response to the Removal Application.
28.03.2025	The Adjudicating Authority directed parties to file replies to the Removal Application and to maintain status quo in respect of the Liquidator. This “ <b>status quo order</b> ” has been impugned by the Appellant in CA (AT) (Ins) No.800 of 2025.
01.04.2025	Respondent No. 2 filed reply to the Removal Application. The Appellant and Respondent Nos. 3 to 5 filed affidavits adopting the reply filed by Respondent No. 2.
02.04.2025	After hearing the parties, Adjudicating Authority reserved final order and judgment in the Removal Application and directed the Appellant and Respondent No.1 to file written submissions.
03.04.2025	The Appellant filed written submissions before the Adjudicating Authority.
29.04.2025	The Adjudicating Authority de-reserved final order and judgment in the Removal Application. Aggrieved by the Impugned Order, the Appellant has come up in CA (AT) (Ins) No.801 of 2025.

**3.** Making his submissions, Shri Abhijit Sinha, Ld. Sr. Counsel for the Appellant submitted that that the Corporate Debtor-TIPL was undergoing voluntary liquidation process in accordance with Section 59 of the IBC which is a self-contained statutory provision for purposes of voluntary liquidation. In terms of Section 59 of IBC and relevant Regulations, the Director and Shareholders of the Corporate Debtor enjoy statutory right and powers to remove Respondent No.1 from the position of Liquidator and substitute him by another

Liquidator. It was further added that the Directors and Shareholders of the Corporate Debtor are free to replace the voluntary liquidator at any stage of the liquidation process for any reason whatsoever. In the present case, when the Corporate Debtor had passed Board Resolution on 28.02.2025 and EGM Resolution on 17.03.2025 for removal of Respondent No.1 from the position of Liquidator of the Corporate Debtor, the Adjudicating Authority did not have the jurisdiction to interfere with the decision of the Directors and Shareholders of the Corporate Debtor for removing Respondent No.1 from the position of Liquidator. It was vehemently contended that the order of the Adjudicating Authority dated 28.03.2025 directing the parties to maintain status quo with respect to the Liquidator was erroneous and beyond the jurisdiction of the Adjudicating Authority in terms of the statutory framework of IBC.

**4.** Elaborating further it was submitted that the other impugned order passed by the Adjudicating Authority on 29.04.2025 de-reserving its final order and judgment in the Removal Application had the effect of continuing the status quo order passed earlier on 28.03.2025 and hence was illegal and erroneous. Submission was also pressed that the impugned order of 29.04.2025 has also been passed in direct violation of the well settled principle of law that there is no hiatus or gap between the stages of reserving of judgment and pronouncement of judgement. The intervening period between reservation and pronouncement of judgment is a period of continuum. It was submitted that this legal percept has been propounded by the Hon'ble Supreme Court in **Arjun Singh Vs Mohindra Kumar (1964) 5 SCR 946** and also followed by this Tribunal in the judgment of **Loramitra Rath Vs JM Financial Asset Reconstruction Company in CA(AT)(Ins.) No. 1359-60 of 2023**.

**5.** Attention was adverted to the fact that the Adjudicating Authority had de-reserved its order on 29.04.2025 on the grounds that the vakalatnamas and replies filed by Respondent No. 2 to 5 suffered from procedural defects; that the Power of Attorney was not adequately stamped; that the Appellant had signed the replies filed on behalf of Respondent No. 2 to 5 who were foreign citizens without proper authority and supporting Board Resolutions. It was submitted that the Adjudicating Authority was well aware of these purported procedural defects at the time of reserving the order on 02.04.2025. It was further asserted that the Respondent No.1 had also raised these grounds even at the time of hearing when the order was reserved on 02.04.2025. Hence, when these grounds were already in the knowledge of the Adjudicating Authority at the time of passing of the orders on 02.04.2025 reserving the judgement, these grounds could not have formed the basis for de-reserving final order and judgment on the removal application.

**6.** Refuting the contentions of the Appellant, it was submitted by Shri Gaurav Mitra, Ld. Counsel for the Respondent that the removal of the Liquidator by the Appellant and Respondent Nos. 2 to 5 was not in compliance with statutory requirement and without proper authorisation. Submission was made that the Adjudicating Authority had correctly noted that there was no Board Resolution passed by Respondent No.2 authorising the foreign shareholders of the Corporate Debtor to file their reply. It was also submitted that there was no proper letter of authority which was given by Respondent Nos.3 to 5 to the Appellant to file replies on their behalf. Neither was the original Letter of Authority produced which authorised the Appellant to sign vakalatnama on



behalf of others. The Letter of Authority given by Respondent No.3 to 5 to the Appellant to sign vakalatnama on their behalf also did not bear proper stamp duty. Instead, some computer-generated letters were produced. Mere reliance on Sections 182, 186 and 187 of Contract Act does not suffice to accept computer generated letter as a Letter of Authority. The replies were also filed without duly executed Power of Attorney or Apostille and Board of Resolution. Contending that it is the responsibility of the Adjudicating Authority to ensure that any person filing their reply ought to enjoy due authority and jurisdiction to do so it was therefore contended by the Respondent No.1-Liquidator that the Adjudicating Authority having found these procedural deficiencies could not have accepted the Vakalatnama/Reply/Letter of Authority which were placed on record. It was emphatically asserted that the Appellant and Respondent No.2 to 5 cannot claim prejudice since even when the matter was de-reserved on 29.04.2025, opportunity was afforded to the Appellant and Respondent No. 2 to 5 by the Adjudicating Authority to file proper and legal authority along with their reply. Submission was also pressed that the Liquidator-Respondent No.1 had valid reasons to question the repatriation of Rs 135 Cr. to Respondent No.2 which the first Liquidator admittedly had done in breach of Section 53 waterfall mechanism. It was also submitted that this remittance was irregularly made without compliance to income tax and GST requirements. The Respondent No.1 had therefore sought the directions of the Adjudicating Authority for reversal of these funds to the Liquidation account by filing I.A. 1834 on which admittedly the Adjudicating Authority is yet to return its findings.

**7.** We have duly considered the arguments advanced by the Learned Counsel for the parties and perused the records carefully.

**8.** Before we make our analysis and findings, we take notice that contention was also raised by Respondent No.1 that there was delay on the part of the Appellant in filing the appeal. It was contended that the Appellant could have challenged the status quo order of 28.03.2025 if it was opposed to the status quo instead of waiting until 12.05.2025 to file the appeal. Per contra, the Appellant submitted that since the IA No. 450 of 2025 was listed for further consideration on 02.04.2025 on which date the IA was reserved for final order and judgment, the Appellant for bonafide reasons awaited the final order. However, only on 29.04.2025 when the Adjudicating Authority passed an order de-reserving the final judgment which once again led to effective continuance of the status quo of Respondent No.1 as Liquidator, it immediately proceeded to file the appeal. In any case, it was contended that it was filed within the permissible extended period of 45 days.

**9.** Having considered the rival submissions made on the subject of limitation, we are of the considered view that it lies within the jurisdiction of this Tribunal under proviso to Section 61(2) of IBC to condone delay when appeals are filed after expiry of a period of 30 days as long as such delay does not exceed 15 days if the Tribunal is satisfied that there was sufficient cause for the delay. In the present facts of the case, we find that the impugned order dated 28.03.2025 was uploaded on the website on 01.04.2025. Even if it is held that the clock of limitation started ticking from 28.03.2025, the 45 days period available under proviso to Section 61(2) of IBC is seen to end on 12.05.2025. Since this

application was filed on 12.05.2025, we are of the considered view that the application was filed well within the period of limitation. Further, keeping in view the peculiar circumstances in which the status quo orders of 28.03.2025 which was kept reserved for judgment for a while and then de-reserved by the Adjudicating Authority, we are satisfied with the bonafide of the reasons of delay explained by the Appellant in filing the appeal. We do not find any reason to hold that the delay in filing was wilful or by design on the part of the Appellant. In all fairness, we would also like to record that the Ld. Counsel for the Respondent No.1 in the course of making his oral submissions stated that he would not like to contest the issue of limitation. The delay condonation is allowed by us.

**10.** Dilating on the issue of untenability of the continuance of the status quo order, it was contended by the Appellant that the appointment and replacement of a Voluntary Liquidator under Section 59 of the IBC is not subject to judicial review by the Adjudicating Authority. Section 59 of IBC read with read with Regulation 5 of IBBI (Voluntary Liquidation Process) Regulation, 2017, (**“VL Regulation”** in short) does not vest the Adjudicating Authority with any jurisdiction to interfere with the decision to appoint and/or replace a Voluntary Liquidator. Further, in support of their contention that the Directors and Shareholders of the Corporate Debtor enjoyed the power to remove and replace the Liquidator-Respondent No.1, attention was drawn to the relevant FAQs on the voluntary liquidation process uploaded on the website of IBBI which states that *“The Liquidator may be replaced by the same procedure as was followed for initial appointment of the Liquidator.”* Hence, it is the case of the Appellant that the Adjudicating Authority could not have compelled the Corporate Debtor to

continue with Respondent No.1 at a time when the Corporate Debtor had passed a Board Resolution in terms of the Companies Act, 2013 for removal of Respondent No.1 and his substitution by Respondent No. 6 which decision of the Board was also ratified by the EGM. This status quo order of the Adjudicating Authority tantamount to transgression of jurisdiction by the Adjudicating Authority rendering the impugned order of 28.03.2025 as one being in the teeth of the express provisions of the IBC and VL Regulations.

**11.** At this stage, it may be useful and constructive to notice the relevant provisions contained in Section 59 of IBC and Regulation 5 of VL Regulations which reads as under:

***Section 59. Voluntary liquidation of corporate persons.***

- 1. A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.*
- 2. The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.*

***IBBI (VOLUNTARY LIQUIDATION) REGULATIONS, 2017***

***5. Appointment of Liquidator.***—(1) *Subject to Regulation 6, the corporate person shall appoint an insolvency professional as liquidator, and, wherever required, may replace him by appointing another insolvency professional as liquidator, by a resolution passed under clause (c) of sub-section (3) of Section 59 or clause (c) of sub-regulation (1) of Regulation 3, as the case may be:*

*Provided that such resolution shall contain the terms and conditions of appointment of the liquidator, including the remuneration payable to him.*

*(2) The insolvency professional shall, within [seven] days of his appointment as liquidator, intimate the Board about such appointment.*

**12.** Having perused the above statutory provisions for appointment and replacement of a Liquidator in the process of voluntary liquidation as contained

in Section 59 under Chapter V of the IBC, we find the procedure therein to be clearly distinguishable from the manner of appointment of a Liquidator under Sections 33 and 34 of IBC under Chapter III of IBC. In the case of a Liquidator being appointed for the purpose of voluntary liquidation, the manner of appointment and removal of a liquidator is comprehensively governed by VL Regulations as has been noted above. A plain reading of Regulation 5 of VL Regulations shows that the Corporate Debtor can appoint a Liquidator and “*wherever required*” may replace him by another Liquidator by simply passing a resolution. Thus, in terms of the statutory construct of IBC read with VL Regulations, there is no need for obtaining any approval of the Adjudicating Authority for the appointment or replacement of the Liquidator engaged for the purposes for voluntary liquidation. Nor is there any need for the Director and Shareholder of the Corporate Debtor to communicate any reason for removal of a Liquidator.

**13.** When we look at the facts of the present case, we find that even when the Corporate Debtor had replaced the first Liquidator by Respondent No.1-Liquidator, the same procedure prescribed under Regulation 5 of VL Regulations was followed. Dissatisfied with the performance of Respondent No.1-Liquidator for reasons of acting in an opaque and non-cooperative manner, the Board of Directors passed a resolution on 28.02.2025 replacing Respondent No.1 as Liquidator because of “misconduct, lack of transparency and breach of the Liquidator’s statutory duties”. This resolution for replacement was thereafter ratified by the EGM on 17.03.2025. The same Board Resolution replaced Respondent No.1-Liquidator with a new Liquidator-Respondent No.6. It is

therefore unambiguously clear that the Respondent No.1-Liquidator already stood replaced before the orders directing the maintenance of status quo was passed by the Adjudicating Authority on 28.03.2025.

**14.** Given this backdrop, we therefore find force in the contention of the Appellant that the Adjudicating Authority by the impugned order directing the continuance of Respondent No.1 as Liquidator on the Corporate Debtor acted in violation of the statutory framework of IBC. Moreover, when the statutory provisions provide an enabling framework to the Directors and Shareholders of the Corporate Debtor to replace the Liquidator “*wherever required*”, the Adjudicating Authority did not have the jurisdiction to force status quo upon the Corporate Debtor for continuing with Respondent No.1 as the Liquidator.

**15.** We put all emphasis at our command to point out that the process of replacement of a Liquidator in the voluntary liquidation process of a solvent Corporate Debtor falls in an entirely different regime from liquidation process undertaken following CIRP. Present being a case of voluntary liquidation, we are of the considered view that the process of replacement of the Respondent No.1-Liquidator is complete in all respects. When no further approval of the Adjudicating Authority is required to effectively replace the Respondent No.1-Liquidator, we proceed to vacate the status quo order issued by the Adjudicating Authority on 28.03.2025. The new Liquidator-Respondent No.6 may proceed with the Voluntary Liquidation process of the Corporate Debtor.

**16.** At this juncture we also take notice that Shri Abhimanyu Bhandari, the Ld. Sr. Counsel for the new Liquidator-Respondent No.6 submitted that though the new Liquidator had requested the Respondent No.1-Liquidator under

Regulation 41(4) of VL Regulations to handover documents/information pertaining to the voluntary liquidation, the same was not complied with. The new Liquidator also made submission that the Liquidator-Respondent No.1 is not cooperating in handing over the responsibilities of the Liquidator to the new Liquidator-Respondent No.6.

**17.** We now come to the other impugned order dated 29.04.2025 which has been assailed by the Appellant. It is the case of the Appellant that by passing this impugned order, thus, de-reserving the final order and judgment in IA No. 450 of 2025 which had been filed by Respondent No.1 challenging his removal from the position Liquidator, the Adjudicating Authority had effectively continued the operation of the status quo i.e. the continuation of the Respondent No.1 as the Liquidator. This was illegal and perverse as it was contrary to the statutory provisions of the IBC and the VL Regulations. It was also pressed hard that the voluntary liquidation process is also required to be completed in a time bound manner. However, the status quo order by forcing the Corporate Debtor to continue with Respondent No.1 as Liquidator amounts to stalling the voluntary liquidation process. When the Directors and Shareholders have lost their confidence in the Liquidator-Respondent No.1, and Board Resolutions had been passed to remove him, the Adjudicating Authority could not have restored the status quo without assigning strong, justifiable and cogent grounds.

**18.** The Appellant has vehemently contended that the grounds on which this order of 29.04.2025 de-reserved the final order on the removal application were purely procedural grounds which lack basis. More importantly, we find that while reserving the order in the Removal Application, the Adjudicating Authority

on 02.04.2025 had clearly noted that *“the Respondent No.2 who is resident Indian who has signed the vakalatnama himself with respect to Respondent No.2 that can be taken on record.”* Thus, if while reserving the order on 02.04.2025, the Adjudicating Authority had taken a conscious decision to proceed basis the vakalatnama and other documents produced by the present Appellant, it remains unexplained why after a gap of 27 days, the Adjudicating Authority suddenly turned volte face and de-reserved the same order by questioning the compliances on the part of Respondent No.2 to 5. Facts concerning the Affidavits and Letters of Authority etc. of the Respondent Nos 3 to 5 were already in the full knowledge of the Adjudicating Authority and only after taking due cognisance of these, it had reserved the judgment. Thus, the impugned order of 29.04.2025 and the earlier order of 02.04.2025 are in contradiction of each other.

**19.** We are also constrained to observe that the Adjudicating Authority while passing the impugned order of 29.04.2025 has failed to apply its mind on the observations made by itself in its order dated 02.04.2025 wherein it has noted that IA 450 of 2025 *“is filed by the Liquidator who has been changed by the Respondents with a new Liquidator R 6 during the voluntary liquidation process.”* While de-reserving the order, the Adjudicating Authority has skirted the substantive issue of deciding on the maintainability of the petition of Respondent No.1 who has already been replaced as Voluntary Liquidator by following the due process by the Corporate Debtor. Instead, the Adjudicating Authority has travelled into procedural infirmities and deficiencies in the written submissions, replies and documents filed by Respondent No.2 to 5 while not commenting on



whether the Respondent No.1 had the right to file an application challenging his removal.

**20.** Be that as it may, we also notice that the impugned order of 29.04.2025 while de-reserving the removal application order has fixed the next date of hearing on 09.06.2025. We do not wish to interfere with the hearing fixed in the matter. However, the Adjudicating Authority while hearing the matter must first look into the maintainability of the petition of the Respondent No.1 who has already been replaced by the Corporate Debtor by following the due process and not bypass this core issue by foraying into procedural deficiencies in the documents submitted by Respondent No 2 to 5. The vakalatnama and authorisation of Appellant having been taken on record already by the Adjudicating Authority on 02.04.2025 that to our minds should suffice for consideration of I.A. No. 450 of 2025.

**21.** In view of the foregoing discussions, we make the following directions:

(i) Company Appeal No. 800 of 2025 is allowed. The impugned order dated 28.03.2025 directing status quo order with regard to the Liquidator-Respondent No.1 is vacated.

(ii) The newly appointed Liquidator-Respondent No.6 may proceed with the Voluntary Liquidation Process of the Corporate Debtor and Respondent No.1 is directed to hand over documents and other information as solicited from him by Liquidator-Respondent No.6 in terms of Regulation 41(4) of the Voluntary Liquidation Regulations.

(iii) Company Appeal No. 801 of 2025 is disposed of with the directions to the Adjudicating Authority to hear the removal application as fixed on 09.06.2025 and decide on the maintainability of the challenge to the removal application filed by the Respondent No.1 on merit. No costs.

**[Justice Ashok Bhushan]**  
**Chairperson**

**[Justice N Sesha Sayee]**  
**Member (Judicial)**

**[Barun Mitra]**  
**Member (Technical)**

**Place: New Delhi**  
**Date: 30.05.2025**

Abdul