



**Supplement to the Fourth Report to Court of  
KSV Restructuring Inc.  
as Receiver and Manager of  
Mahal Venture Capital Inc. and  
Golden Miles Food Corporation**

December 8, 2022

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COURT FILE NO. CV-21-00664778-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

SKYMARK FINANCE CORPORATION

APPLICANT

- AND -

MAHAL VENTURE CAPITAL INC. AND  
GOLDEN MILES FOOD CORPORATION

RESPONDENTS

SUPPLEMENT TO THE FOURTH REPORT OF  
KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER

DECEMBER 8, 2022

## 1.0 Introduction

1. This report (“Supplemental Report”) supplements the Receiver’s Fourth Report to Court dated November 1, 2022 (the “Fourth Report”).
2. Unless otherwise stated, capitalized terms used in this report have the meanings provided to them in the Fourth Report.

### 1.1 Purpose

1. The purpose of this Supplemental Report is to provide the Receiver’s comments regarding Mr. Mahal’s affidavits sworn on October 24, 2022 (the “October 24<sup>th</sup> Affidavit”) and October 26, 2022 (the “October 26<sup>th</sup> Affidavit”).

### 1.2 Restrictions

1. This Supplemental Report is subject to the restrictions in the Fourth Report.

## 2.0 Mr. Mahal's Supplementary Affidavits

1. On October 17, 2022, the Receiver provided counsel to Skymark and Mr. Mahal with an unsigned copy of the Fourth Report so that they could consider the Receiver's views and potentially settle certain matters between them before Mr. Mahal's motion that had been scheduled to be heard on November 4, 2022 (the "Motion").
2. In advance of the Motion, Skymark had scheduled an examination of Mr. Mahal on October 27, 2022.
3. In response to the Fourth Report, and prior to the examination, Mr. Mahal swore the October 24<sup>th</sup> Affidavit and the October 26<sup>th</sup> Affidavit.
4. The Receiver reviewed the October 24<sup>th</sup> Affidavit which, among other things, includes an interest accrual schedule that Mr. Mahal prepared on or about the date of the October 24<sup>th</sup> Affidavit. The Receiver does not have any substantive comments on this schedule or its relevance to the Motion.
5. The October 26<sup>th</sup> Affidavit includes, as exhibits, the following (together, the "Exhibits"):
  - a) A projected income statement for Golden Miles prepared, according to Mr. Mahal, "in the fall of 2020" for the period November 2019 to October 2021 (the "Projections");
  - b) Unaudited financial statements for Golden Miles for the year ended June 30, 2021 and the three months ended September 30, 2021 (the "Financial Statements"); and
  - c) Journal entries allegedly made by Gill & Co. Chartered Accountants ("Gill & Co.") in respect of "shareholder notes payable" (the "Shareholder Schedule").
6. Neither Mr. Mahal nor Gill & Co. provided copies of the Exhibits to the Receiver prior to the date of the October 26<sup>th</sup> Affidavit. They did not do so notwithstanding that:
  - a) paragraph 5 of the Receivership Order requires all persons to provide information to the Receiver;
  - b) the Receiver has repeatedly requested that the Mahals provide all accounting information and all books and records to the Receiver; and
  - c) in October 2021, at the commencement of the receivership proceeding, the Receiver requested the Companies' accounting and tax records (the "Records") from Gill & Co. Gill & Co. failed to provide the Receiver with information. The Receiver then sought a Court order directing Gill & Co. to make disclosure of the Records. Prior to the return of the Receiver's motion, Gill & Co. provided certain accounting and tax information to the Receiver (the "October 2021 Information").

7. The Receiver's comments and observations regarding the materials included in the October 26<sup>th</sup> Affidavit are as follows:
- a) The purpose of the Projections is entirely unclear. They reference a business generating revenue in the first year that exceeds \$340 million and earnings before taxes that exceed \$133 million. No underlying assumptions are referenced, nor are supporting documents included;
  - b) The Projections were prepared when, according to the October 24<sup>th</sup> Affidavit, the Flour Mill was "in dire financial circumstances", "had been unable to commence operations" and "did not have sufficient funding to complete the steps required to obtain an operating permit from the City of Brantford". These descriptions remained accurate when the Receivership Order was made – the Companies had no liquidity and the Flour Mill was not operational, nor was it close to being operational;
  - c) The Financial Statements were prepared as a Notice to Reader "on the basis of information provided by management". Notice to Reader financial statements are a compilation of information provided by a company. The information provided to prepare the financial statements does not undergo any tests and the accountant preparing them offers no opinion or assurance. Accordingly, the accountant puts the readers of the financials "on notice". As it relates to the Financial Statements, there is no disclosure of who "management" represents;
  - d) The Financial Statements were both issued on October 24, 2022, the same day as the October 24<sup>th</sup> Affidavit. In this regard, the Receiver notes that:
    - i. Golden Miles has been a bankrupt since November 15, 2021. The Trustee is the only party authorized to provide directions on behalf of Golden Miles;
    - ii. Mr. Mahal signed the Financial Statements as a Director;
    - iii. The Trustee had no knowledge that the Financial Statements were being prepared by Gill & Co., was not provided with any of the accounting that forms part of the Financial Statements, did not know who provided the information to Gill & Co., did not know from what accounting system the information was generated, did not know when the information was created, did not know what instructions were provided to Gill & Co., did not retain Gill & Co. to provide any accounting services and did not authorize the issuance of the Financial Statements;
  - e) As part of the October 2021 Information, the Receiver was provided with draft review engagement financial statements for the year ended June 30, 2020 (the "June 2020 Financial Statements"). In order to prepare "review engagement" financial statements, an accountant must perform tests and determine whether the financial statements are plausible. A copy of the June 2020 Financial Statements is attached as Appendix "A". The June 2020 Financial Statements contain notes and explanations for material line items, unlike the Financial Statements. In addition, the June 2020 Financial Statements and the Financial Statements are inconsistent. For example, current assets as at June 30, 2020 is referenced as being \$5.5 million in the June 2020 Financial Statements and only \$4.5 million in the Financial Statements. There is even a discrepancy in the "cash" line item;

- f) The Receiver's observations related to the Shareholder Schedule are as follows:
- i. The date of each journal entry is unknown;
  - ii. The notes reference various "shareholder injections";
  - iii. There appears to be a \$5.2 million "injection" and an \$8.3 million repayment, both on June 30, 2019, with no explanation;
  - iv. No correspondence between Mr. Mahal and Gill & Co. was provided to understand what directions Mr. Mahal provided to Gill & Co. and when those directions were provided; and
  - v. No support documentation is included to verify any of the entries or the explanatory notes.
8. Pursuant to letters dated November 11, 2022 and November 15, 2022, the Receiver requested information from Mr. Mahal and Gill & Co., respectively, regarding the Exhibits, including questions intended to address the factors unknown to the Receiver as set out in subparagraph 2.0.7(d)(iii) hereof. Copies of these letters are provided as Appendix "B".
9. Mr. Mahal responded on November 24, 2022 and commented on certain of the Receiver's information requests. A copy of Mr. Mahal's response is provided as Appendix "C".
10. In paragraph 7 of Mr. Mahal's response, the Receiver is advised that Mr. Mahal requested that Gill & Co. prepare the Financial Statements in connection with filing for pre-receivership tax refunds because he "was not able to confirm that KSV had arranged for the preparation of Golden Miles' financial statements and tax returns prior to the filing deadline".
11. On June 1, 2022, the Receiver advised Gill & Co. that:
- "Due to the lack of books and records and disclosure from your clients regarding the pre-receivership periods, we did not have sufficient information to file proper returns for Golden Miles or MVCI for the period January 1 2021 to October 1, 2021, each of which were outstanding as at the date of the Receivership.
- We discussed this with CRA and we were advised to file "Nil" returns (all fields entered as "0") in order to bring the returns current, so that we could start filing post-receivership returns.
- Since the returns filed were "Nil" returns, there is no HST receivable for the pre-receivership period."
12. A copy of the Receiver's June 1, 2022 email to Gill & Co. is provided as Appendix "D".
13. Mr. Mahal has not provided the additional information referenced in sections 8, 9 and 11 of his response.
14. Gill & Co. has not responded to the Receiver's information requests.

### 3.0 Conclusion

1. The Receiver considered the materials filed by Mr. Mahal in response to the Fourth Report. The Receiver's conclusions remain the same as set out in Section 5 of the Fourth Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
MAHAL VENTURE CAPITAL INC. AND GOLDEN MILES FOOD CORPORATION  
AND AS LICENSED INSOLVENCY TRUSTEE OF  
GOLDEN MILES FOOD CORPORATION  
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

## **Appendix “A”**



*Financial Statements of*

**Golden Miles Food Corporation**

*June 30, 2020*

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## Review Engagement Report

To the Board of Directors of Golden Miles Food Corporation:

We have reviewed the accompanying financial statements of Golden Miles Food Corporation which comprise the Balance Sheet as at June 30, 2020 and the income statement, statement of retained earnings and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and other within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the balance sheet of Golden Miles Food Corporation as at June 30, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*Gill & Co. Chartered Accountants*

Chartered Public Accountants  
CPA, CA, Licensed Public Accountants  
September 21, 2021  
Mississauga, Ontario



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**Golden Miles Food Corporation**  
**Balance Sheet**  
**(Unaudited)**

As At June 30	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 164,657	\$ 62,328
Accounts Receivable	166,089	97,752
Due from Related Party (Note 2)	57,563	57,563
Taxes Receivable	1,336,905	3,899,015
Inventory	3,787,022	3,657,467
Prepaid Assets	-	37,770
<b>TOTAL CURRENT ASSETS</b>	<u>5,512,236</u>	<u>7,811,896</u>
<b>CAPITAL ASSETS (Notes 1d, 3)</b>	<u>47,108,137</u>	<u>41,527,293</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 52,620,373</b></u>	<u><b>\$ 49,339,189</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 6,158,830	\$ 6,760,749
Current Portion of Lease	194,448	-
Taxes Payable	1,480,093	1,050,923
	<u>7,833,372</u>	<u>7,811,672</u>
<b>LONG TERM LIABILITIES</b>		
Long Term Loan (Note 4)	27,328,674	25,158,412
Long Term Portion of Lease	16,204	-
Due to Shareholder	7,186,603	8,453,255
<b>TOTAL LONG TERM LIABILITIES</b>	<u>34,531,481</u>	<u>33,611,667</u>
<b>TOTAL LIABILITIES</b>	42,364,853	41,423,339
<b>SHAREHOLDERS' EQUITY</b>		
Capital Stock (Note 7)	100	100
Retained Earnings	10,255,420	7,915,750
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>10,255,520</u>	<u>7,915,850</u>
<b>TOTAL CURRENT LIABILITIES &amp; NET ASSETS</b>	<u><b>\$ 52,620,373</b></u>	<u><b>\$ 49,339,189</b></u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ Director

**Golden Miles Food Corporation**  
**Statement of Operations**  
**(Unaudited)**

For the year ended June 30

	2020	2019
<b>Income</b>		
Sales (Notes 1c, 10)	\$ 5,409,006	\$ 10,039,643
<b>Cost of Goods Sold</b>	1,615,273	939,237
<b>Gross Profit/Loss</b>	<u>3,793,733</u>	<u>9,100,406</u>
<b>Expenses</b>		
Advertising and Promotion	-	140
Automobile	8,080	-
Dues and Subscriptions	2,216	1,876
Bad Debts	-	361,996
Bank charges and Interest	2,467	-
Duties and Taxes	12,035	-
Delivery Costs	88,381	159,130
Insurance	257,169	106,639
Occupancy Costs	334,969	396,678
Office and General	-	3,540
Professional Fees	123,468	29,807
Repairs & Maintenance	12,299	597
Salaries and Benefits	46,129	78,900
Supplies	92,153	-
Telephone and Utilities	119,429	56,696
Travel	12,858	28,915
Depreciation	3,217	2,962
<b>Total Expenses</b>	<u>1,114,869</u>	<u>1,227,875</u>
<b>Other Expenses</b>		
Foreign Exchange Gain/Loss (Notes 1h,8)	<u>(89,977)</u>	<u>194,835</u>
Net Income Before Taxes	2,768,840	7,677,697
Corporate Tax Expense (Note 1f)	<u>429,170</u>	<u>1,050,923</u>
<b>Net Income (Loss)</b>	<u><u>\$ 2,339,670</u></u>	<u><u>\$ 6,626,774</u></u>

The accompanying notes are an integral part of these financial statements.

**Golden Miles Food Corporation**  
**Statement of Retained Earnings**  
**(Unaudited)**

<b>For the year ended June 30</b>	<b>2020</b>	<b>2019</b>
<b>Retained Earnings, Opening</b>	\$ 7,915,750	\$ 1,288,976
Dividends Paid	-	-
Net Income (Loss)	2,339,670	6,626,774
<b>Retained Earnings, end of year</b>	<b>\$ 10,255,420</b>	<b>\$ 7,915,750</b>

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The accompanying notes are an integral part of these financial statements.

**Golden Miles Food Corporation**  
**Statement of Cash Flows**  
**(Unaudited)**

For the year ended June 30

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ 2,339,670	\$ 6,626,774
Adjustments for non-cash items - Depreciation	<u>3,217</u>	<u>2,962</u>
	2,342,887	6,629,736
Changes in non-cash working capital		
Accounts receivable	(68,336)	325,037
Due from Related Party	-	(57,563)
Taxes Receivable	2,562,110	(1,737,102)
Prepaid Assets	37,770	(37,770)
Inventory	(129,555)	(2,141,596)
Accounts payable and accrued liabilities	(601,918)	5,190,286
Taxes Payable	<u>429,170</u>	<u>1,050,923</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>4,572,128</b>	<b>9,221,950</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to capital assets	<u>(5,584,061)</u>	<u>(23,718,440)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(5,584,061)</b>	<b>(23,718,440)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Loan	2,170,262	13,840,855
Leased Equipment	210,652	-
Due to Shareholder	<u>(1,266,652)</u>	<u>30,375</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,114,262</b>	<b>13,871,230</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>\$ 102,329</b>	<b>\$ (625,260)</b>
<b>CASH - beginning of year</b>	<u>62,328</u>	<u>687,589</u>
<b>CASH - end of year</b>	<b><u>\$ 164,657</u></b>	<b><u>\$ 62,328</u></b>

The accompanying notes are an integral part of these financial statements.

# Golden Miles Food Corporation

## Notes to the Financial Statements

For the year ended June 30, 2020

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Nature of Business** Golden Miles Food Corporation (the "Company") is incorporated under the business Corporations Act (Ontario). The Company is engaged in the sale of cookies, crackers, and dried plant material.
- b. Basis of Accounting** The Company has prepared its financial statements in accordance with Canadian accounting standards for private enterprises ("ASPE").
- c. Revenue Recognition** The Company generates revenues by importing cookies, crackers, and dried plant material and reselling these goods to their customers. Revenue is only recognized when ultimate collection is reasonably assured upon completion of delivery of the goods.
- d. Capital Assets** Capital assets are carried at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is as follows:
- |                         |   |                       |
|-------------------------|---|-----------------------|
| Machinery and equipment | - | 20% declining balance |
| Furniture and fixtures  | - | 20% declining balance |
| Building                | - | 4% declining balance  |
- One-half of the regular rate is applied in the year of acquisition.
- e. Impairment of Long-Lived Assets** The Company monitors its use of capital assets and when the capital asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.
- f. Income Taxes** The Company follows the current income taxes method in accounting for income taxes.
- g. Financial Instruments** Financial instruments are recorded at fair value when acquired or issued and subsequently measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.
- h. Foreign Currency Translation** Foreign currency accounts are translated to Canadian dollars as follows:
- At the transaction date, each asset, liability, revenue, and expense are translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.



## 2. RELATED PARTY BALANCE AND TRANSACTIONS

	<u>2020</u>	<u>2019</u>
Due from Mahal Venture Capital Inc., unsecured, non-interest bearing and repayable on demand. The Company has agreed not to demand repayment within the next twelve months	\$ 57,563	\$ 57,563

During the year, transactions with this related company was as follows:

	<u>2020</u>	<u>2019</u>
Reimbursement of Expenses	\$ -	\$ 57,563

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

## 3. CAPITAL ASSETS

	<u>2020</u>		<u>2019</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>Buildings</b>	\$ 33,620,808	\$ 854,334	\$ 29,685,742	\$ 854,334
<b>Machinery &amp; Equipment</b>	17,784,691	3,452,389	16,136,679	3,452,389
<b>Furniture &amp; Fixtures</b>	16,577	7,216	15,594	3,999
	<u>\$ 51,422,076</u>	<u>\$ 4,313,939</u>	<u>\$ 45,838,015</u>	<u>\$ 4,310,722</u>
<b>Net Book Value</b>		<u>\$ 47,108,137</u>		<u>\$ 41,527,293</u>

Assets under construction are included in buildings and machinery & equipment.

## 4. LONG TERM LOANS

The Company has the following facilities available:

- i) \$9,600,000 CAD (2019 - \$9,600,000) demand operating loan bearing interest at the bank's prime rate plus 11.3% per annum.
- ii)
- iii) \$6,400,000 CAD (2019 - \$6,400,000) demand operating loan bearing interest at the bank's prime rate plus 11.3% per annum.
- iv) \$4,000,000 CAD (2019 - \$4,000,000) demand operating loan bearing interest at the rate of 10% per annum.
- v) \$8,481,950 CAD (2019 - \$8,481,950) demand operating loan bearing interest at the rate of 9.95% per annum.

The above facilities are secured by a general security agreement providing a first charge over all present and after acquired personal property and a floating charge over all present and after acquired property, unlimited guarantee by a company under common management supported by a first collateral land mortgage over the related company's land and premises.

## 5. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances including payroll withholdings and related taxes of \$16,675 (2019 - \$3,017).

## 6. DUE TO SHAREHOLDER

The amount due to shareholder is secured, non-interest bearing and due on demand. The shareholder has agreed not to demand repayment within the next twelve months.

## 7. SHARE CAPITAL

	<u>2020</u>	<u>2019</u>
<b>Issued</b>		
<b>100 Common Shares</b>	\$ 100	\$ 100

## 8. FINANCIAL INSTRUMENTS

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company provides credit to its customers in the normal course of its operations. The Company limits its exposure to this risk by closely monitoring outstanding accounts receivables.

The Company's cash is also subject to credit risk and the Company mitigates this risk by maintaining its cash with major financial institutions.

### **Liquidity Risk**

Liquidity risk is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value that is less than its worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, long term loan, amounts due to shareholder and commitments. The Company limits its exposure to this risk by closely monitoring its cash flow requirements.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk in relation to interest expense on its loans since the loans bear interest at a floating interest rate.

### **Foreign Currency Risk**

Currency risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company enters into foreign currency purchase transactions and has assets and liabilities that are denominated in foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the

degree of volatility of these rates. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk.

Balances denominated in U.S. dollars expressed in Canadian dollars that are considered financial instruments are approximately as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$44,635	\$1,628
Accounts payable and accrued liabilities	\$0	\$314,422
Year-end exchange rate U.S. dollars/CDN. dollars	1.3628	1.3087

## 9. COMMITMENTS

The Company also has a premises lease with a related party under common management commencing approximately March 2022 and ending on July 1, 2036 with aggregate minimum annual payments approximately as follows:

Year	Amount
2021	\$ -
2022	200,000
2023	600,000
2024	600,000
2025	600,000
	<u>\$ 2,000,000</u>

The Company also has a premises lease with an unrelated party that commenced on February 1, 2016 and ending on January 31, 2021 with aggregate minimum annual payments approximately as follows:

Year	Amount
2021	223,313
2022	-
2023	-
2024	-
2025	-
	<u>\$ 223,313</u>

## 10. SIGNIFICANT CUSTOMERS

Sales to one (2019- one) customer represents approximately 94% (2019 - 97%) of total sales.

#### **11. PLANT CLOSURE**

The plant was closed for approximately six months due to major construction that was under taken during the fiscal year.

#### **12. LEGAL MATTERS**

The Corporation has been named in a legal action by Vicano Construction Limited for an alleged breach of contract in the amount of \$5,079,998. This matter is ongoing and as of the date of the audit report, the outcome is unknown.

The Corporation filed legal action against Vicano Construction Limited for an alleged breach of contract and negligent building design for damages in the amount of \$79,200,000 plus reimbursements of \$1,500,000. This matter is ongoing and as of the date of the audit report, the outcome is unknown.

The Corporation filed legal action against The City of Brantford for alleged breach of duty of care and performance of a negligent inspection for damages in the amount of \$79,200,000. This matter is ongoing and as of the date of the audit report, the outcome is unknown.

The Corporation filed legal action against Skylark Holding Limited et al. for an alleged breach of the mortgage commitment for damages in the estimated amount of \$148,000,000. This matter is ongoing and as of the date of the audit report, the outcome is unknown.

#### **13. COMPARATIVE FIGURES**

Certain comparative figures have been restated where necessary to conform with current period presentation.

#### **14. COVID-19**

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic (the "COVID-19 pandemic"), based on the rapid increase in exposure globally. Various government agencies-imposed travel restrictions, social distancing measures and closures of non-essential workplaces. These implications did not have an adverse effect on the Company's overall operations and performance. The Company is continuing to monitor the impact of COVID-19 on its operations and cash flows.

## **Appendix “B”**



Blake, Cassels & Graydon LLP  
Barristers & Solicitors  
Patent & Trademark Agents  
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Toronto ON M5L 1A9 Canada  
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**Chris Burr**

Partner

Dir: 416-863-3261

chris.burr@blakes.com

November 11, 2022

VIA E-MAIL

Reference: 00025198/000002

Lisa Corne  
Dickinson Wright LLP  
199 Bay Street, Suite 2200  
Commerce Court West  
Toronto, ON M5L 1G4

**Re: Golden Miles Food Corporation (“Golden Miles”) Financial Disclosure  
Request for Information and Disclosure**

Ms. Corne:

This letter is being sent on behalf of KSV Restructuring Inc., in its capacity as licensed insolvency trustee of Golden Miles (in such capacity, the “**Trustee**”) and receiver and manager of Golden Miles (in such capacity, the “**Receiver**”). We are in receipt of the October 26, 2022 affidavit of your client Santokh Mahal (“**Mr. Mahal**”), which was served on the same date (the “**October 26 Affidavit**”).

We note that the October 26 Affidavit includes the following:

- a) A projected income statement for Golden Miles prepared, according to Mr. Mahal, “in the fall of 2020” for the period November 2019 to October 2021 (the “**Projections**”);
- b) Unaudited financial statements for Golden Miles for the year ended June 30, 2021 and the three months ended September 30, 2021 (the “**Financial Statements**”);
- c) Journal entries allegedly made by Gill & Co. Chartered Accountants (“Gill & Co.”) in respect of “shareholder notes payable” (the “**Shareholder Schedule**”).

The Trustee and the Receiver had no prior knowledge of the Financial Statements. As you are aware, the Receiver was appointed on October 1, 2021 pursuant to an order of the same date granted by Mr. Justice McEwen (the “**Appointment Order**”). The Appointment Order directed:

“...all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate or accounting records, and any other papers, records and information of any kind related to the business of affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide the Receiver or

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permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto...”

The Receiver has had considerable difficulties with Mr. Mahal’s disclosure of Records, as outlined in detail in the First Report of the Receiver, dated October 20, 2021 (the “**First Report**”), resulting in repeated written requests for disclosure. Letters were sent by the Receiver’s counsel on October 1, 2021, October 4, 2021, October 5, 2021, October 6, 2021, and October 12, 2021 requesting disclosure. As a result of insufficient and unacceptable responses to these requests, the Receiver brought a motion returnable on October 21, 2021 seeking and order, *inter alia*,

“requiring [Mr. Mahal] and any current or former officers, directors, servants, agents, contractors or employees of [Golden Miles], including without limitation [Golden Miles’] accountants, Gill & Co (collectively, the “**Company Agents**”) to forthwith provide the Receiver with any and all documents, items, devices, computers, servers, iPads, tablets, magnetic tapes or disks, DVDs, CDs, USB devices, cellular phones, or any other electronic storage or media device, including cloud-based storage, belonging to or used in connection with [Golden Miles], including without limitation [Mr. Mahal’s] personal computers and cellular phones.”

In response to the First Report and the Receiver’s motion for disclosure, Mr. Mahal and his son Jesse Mahal filed affidavits sworn on October 25, 2021 which, in the words of Mr. Mahal “provided the Receiver with all available documents and information”<sup>1</sup>. As a result of this purportedly exhaustive disclosure, the most recent financial statement of Golden Miles that the Receiver was provided with were the 2020 Audited Financials and the 2020 Unaudited Financials (as defined in the Fourth Report of the Receiver and First Report of the Trustee, dated November 1, 2022).

The Trustee is similarly entitled to disclosure of all financial and operational records relating to Golden Miles, pursuant to the terms of the *Bankruptcy and Insolvency Act* (the “**BIA**”). On November 16, 2021, the day after the Trustee was appointed, the Trustee sent a “Notice to Officer of Bankrupt Corporation of Duties”, which advised, among other things:

1. of Mr. Mahal’s duties under Section 158 of the BIA to “deliver to the trustee all books, records, documents, writings and papers including, without restricting the generality of the foregoing, title papers, insurance policies and tax records and returns and copies thereof in any way relating to his property and affairs”; and
2. that it is an offence under the BIA if Mr. Mahal:
  - (a) “makes a false entry or knowingly makes a material omission in a statement or accounting”; or

<sup>1</sup> Affidavit of Santokh Mahal, sworn October 24, 2022, at para. 15  
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- (b) “after or within one year immediately preceding the date of the initial bankruptcy event, conceals, destroys, mutilates, falsifies, makes an omission in or disposes of, or is privy to the concealment, destruction, mutilation, falsification, omission from or disposition of, a book or document affecting or relating to the bankrupt’s property or affairs, unless the bankrupt had no intent to conceal the state of the bankrupt’s affairs”.

Notwithstanding this notice, as was the case in the receivership proceedings, the most recent financial statement of Golden Miles that the Trustee was provided with were the 2020 Audited Financials and the 2020 Unaudited Financials.

#### The October 26 Affidavit Exhibits

The Financial Statements attached to the October 26 Affidavit purport to be for the fiscal year ending June 30, 2021 and for the three months ending September 30, 2021. The October 26 Affidavit was the first time the Receiver was made aware of these financial statements. The Receiver was not provided with any financial information about Golden Miles used to prepare financials for the relevant periods, all of which should have been disclosed by Mr. Mahal on October 25, 2021, when he swore an affidavit purporting to have already provided all documentation and information related to Golden Miles.

The Trustee and Receiver have a number of questions and related requests regarding the October 26 Affidavit and its exhibits:

#### *Projections*

1. Please provide the underlying assumptions and supporting documentation for the Projections. In respect of the foregoing, please confirm:
  - (a) when Mr. Mahal prepared the supporting documentation or, if not prepared by Mr. Mahal, when and by whom such supporting documentation was prepared;
  - (b) why the Projections and such supporting documentation was not disclosed to the Receiver on or about October 25, 2021 or the Trustee on or about November 16, 2021.
2. Please provide copies of all correspondence between Mr. Mahal and Perry Singh in connection with the preparation of the Projections.

#### *Financial Statements*

3. Please provide copies of all financial information and documentation provided by Mr. Mahal to Gill & Co. in connection with the preparation of the Financial Statements. In respect of the foregoing, please confirm:
  - (a) when Mr. Mahal prepared the financial information and documentation or, if not prepared by Mr. Mahal, when and by whom such financial information and documentation was prepared;

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- (b) what accounting system was used to record the financial information provided to Gill & Co. and on what computer system this accounting system resides;
  - (c) who delivered such financial information and documentation to Gill & Co.;
  - (c) why such financial information and documentation was not disclosed to the Receiver on or about October 25, 2021 or the Trustee on or about November 16, 2021.
4. Please confirm when the Financial Statements were instructed to be prepared by Gill & Co., and by whom.
  5. Please confirm when the Financial Statements and any draft versions were delivered to Mr. Mahal by Gill & Co.
  6. Please provide copies of all correspondence between Mr. Mahal and Gill & Co. in connection with the preparation of the Financial Statements.
  7. Please advise of the authority pursuant to which Mr. Mahal instructed Gill & Co to prepare financial statements for Golden Miles.

#### *Shareholder Schedules*

8. Please provide copies of all financial information and documentation provided by Mr. Mahal to Gill & Co. in connection with the preparation of the Shareholder Schedules. In respect of the foregoing, please confirm:
  - (a) when such financial information and documentation was prepared by Mr. Mahal or, if not prepared by Mr. Mahal, when and by whom such financial information and documentation was prepared;
  - (b) why such financial information and documentation was not disclosed to the Receiver on or about October 25, 2021 or the Trustee on or about November 16, 2021.
9. Please provide details of:
  - (a) the \$32,000 disbursement recorded as "Transfer to personal bank account" on February 23, 2021;
  - (b) the \$500,000 disbursement recorded as "Transfer to 6466982" listed in the Shareholder Schedule on March 29, 2021;
  - (c) the \$32,000 disbursement recorded as "TD VISA for Mr. Mahal" listed in the Shareholder Schedule on June 15, 2021;



- (d) the \$100,000 disbursement recorded as "Transfer to Mr. Mahal" listed in the Shareholder Schedule on June 25, 2021;
- (e) the \$21,306.76 and \$3,000 disbursements recorded as "Personal VISA" listed in the Shareholder Schedule on August 23, 2021 and September 7, 2021, respectively; and
- (f) the \$21,500 disbursement recorded as "Loan repaid to Mr. Santokh" listed in the Shareholder Schedule on October 4, 2021.

10. Please provide copies of all correspondence between Mr. Mahal and Gill & Co. made in connection with the preparation of the Shareholder Schedules.

*General*

11. Please provide a copy of the engagement letter or retainer agreement with Gill & Co. governing the preparation of the Financial Statements and Shareholder Schedules.

The Receiver and Trustee intend to prepare a Supplement to the Fourth Report, in response to the October 26 Affidavit, and Mr. Mahal's answers to the foregoing questions, or his refusal to answer, will be included in this supplement.

As you are aware, the return of Mr. Mahal's security and priority motion in respect of which the October 26 Affidavit was filed is January 16, 2023. In order that the Receiver's and Trustee's supplement can be prepared and served sufficiently in advance of January 16, 2023, please provide written responses to the foregoing questions on or before **5 pm (Toronto Time) on Friday, November 18, 2022.**

\* \* \* \* \*

We look forward to your response.

Regards,

Chris Burr

Cc: N. Goldstein, KSV



Blake, Cassels & Graydon LLP  
Barristers & Solicitors  
Patent & Trademark Agents  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto ON M5L 1A9 Canada  
Tel: 416-863-2400 Fax: 416-863-2653

**Chris Burr**

Partner

Dir: 416-863-3261

chris.burr@blakes.com

November 15, 2022

VIA E-MAIL

Reference: 00025198/000002

Gill & Co. Chartered Accountants  
2815 Thamesgate Drive  
Mississauga, ON L4T 1G5

Attention: Pardeep Gill

**Re: Golden Miles Food Corporation (“Golden Miles”) Financial Disclosure  
Request for Information and Disclosure**

Dear Ms. Gill:

This letter is being sent on behalf of KSV Restructuring Inc., in its capacity as licensed insolvency trustee of Golden Miles (in such capacity, the “**Trustee**”) and receiver and manager of Golden Miles (in such capacity, the “**Receiver**”). We have been provided with an affidavit sworn by Santokh Mahal (“**Mr. Mahal**”) on October 26, 2022, which was served on the same date (the “**October 26 Affidavit**”). A copy of the October 26 Affidavit is enclosed herewith.

The October 26 Affidavit includes the following:

- a) A projected income statement for Golden Miles prepared, according to Mr. Mahal, “in the fall of 2020” for the period November 2019 to October 2021 (the “**Projections**”);
- b) Unaudited financial statements for Golden Miles for the year ended June 30, 2021 and the three months ended September 30, 2021 (the “**Financial Statements**”);
- c) Journal entries allegedly made by Gill & Co. Chartered Accountants (“**Gill & Co.**”) in respect of “shareholder notes payable” (the “**Shareholder Schedule**”).

The Trustee and the Receiver had no prior knowledge of the Financial Statements. As you are aware, the Receiver was appointed on October 1, 2021 pursuant to an order of the same date granted by Mr. Justice McEwen (the “**Appointment Order**”). The Appointment Order directed:

“...all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate or accounting records, and any other papers, records and information of any kind related to the business of affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the

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“**Records**”) in that Person’s possession or control, and shall provide the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto...”

The Receiver has had considerable difficulties with Mr. Mahal’s disclosure of Records, as outlined in detail in the First Report of the Receiver, dated October 20, 2021 (the “**First Report**”), resulting in repeated written requests for disclosure. As a result of insufficient and unacceptable responses to these requests, the Receiver brought a motion returnable on October 21, 2021 seeking an order, *inter alia*,

“requiring [Mr. Mahal] and any current or former officers, directors, servants, agents, contractors or employees of [Golden Miles], including without limitation [Golden Miles’] accountants, Gill & Co (collectively, the “**Company Agents**”) to forthwith provide the Receiver with any and all documents, items, devices, computers, servers, iPads, tablets, magnetic tapes or disks, DVDs, CDs, USB devices, cellular phones, or any other electronic storage or media device, including cloud-based storage, belonging to or used in connection with [Golden Miles], including without limitation [Mr. Mahal’s] personal computers and cellular phones.”

and

“requiring Gill & Co. to respond to information requests submitted by the Receiver no later than 5:00 p.m. (Toronto Time) on October 28, 2021, including but not limited to (a) any and all financial statements of [Golden Miles]; (b) any and all tax returns of [Golden Miles]; and (c) details of any and all funds currently held by it on behalf of [Golden Miles] or [Mr. Mahal or Jesse Mahal]”

In response to the First Report and the Receiver’s motion for disclosure, you notified the Receiver by email on October 20, 2021 that Gill & Co. was “not engaged by Golden Miles to perform any type of bookkeeping or tax filing services”, and provided by email attachment draft 2020/2019 financials, with the caveat that “these are in draft format and they are for internal review and should not be distributed”. A copy of your email is enclosed herewith, including attachments.

As a result of the October 20, 2021 disclosure provided by Gill & Co., the Receiver elected not to seek an order from the Court requiring further disclosure.

#### The October 26 Affidavit Exhibits

The Financial Statements attached to the October 26 Affidavit purport to be for the fiscal year ending June 30, 2021 and for the three months ending September 30, 2021. The October 26 Affidavit was the first time the Receiver was made aware of these financial statements. The Receiver was not provided with any financial information about Golden Miles used to prepare financials for the relevant periods, and any such financial information in Gill & Co’s possession should have been disclosed by Gill & Co. on October 20, 2021.

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The Trustee and Receiver have a number of questions and related requests regarding the October 26 Affidavit and its exhibits:

*Financial Statements*

1. Please provide copies of all financial information and documentation provided to Gill & Co. in connection with the preparation of the Financial Statements. In respect of the foregoing, please confirm:
  - (a) who provided the financial information and documentation;
  - (b) what accounting system was used to record the financial information provided to Gill & Co. and on what computer system this accounting system resides;
  - (c) who delivered such financial information and documentation to Gill & Co.;
  - (d) Gill & Co.'s role in the preparation or accumulation of the financial information and documentation;
  - (e) if any of the financial information or documentation was in the possession of Gill & Co. on October 20, 2021, why such financial information and documentation was not disclosed to the Receiver.
2. Please confirm when the Financial Statements were instructed to be prepared by Gill & Co., and by whom.
3. Please describe the steps taken by Gill & Co., if any, to verify, test or independently confirm the information set out in the Financial Statements.
4. Please confirm when the Financial Statements and any draft versions were delivered by Gill & Co. to Mr. Mahal, or if not delivered to Mr. Mahal, then to whom.
5. Please provide copies of all correspondence between Mr. Mahal and Gill & Co. in connection with the preparation of the Financial Statements, including correspondence before and after the date the Financial Statements were issued.
6. Please advise of the authority pursuant to which Mr. Mahal instructed Gill & Co to prepare financial statements for Golden Miles.

*Shareholder Schedules*

Mr. Mahal states in the October 26 Affidavit, with respect to the Shareholder Schedules, that "these journal entries were made by Ms. Pardeep Gill, commencing in May 2021, when she was engaged as the company's accountant. I am informed by Ms. Gill that these journal entries form the basis of the

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amount due to shareholders shown on the financial statements of Golden Miles prepared by Gill & Co. Chartered Accountants on October 24, 2022.” Accordingly, in respect of the Shareholder Schedules:

7. Please provide copies of all financial information and documentation provided to Gill & Co. in connection with the preparation of the Shareholder Schedules. In respect of the foregoing, please confirm:
  - (a) who provided the financial information and documentation;
  - (b) if any of the financial information or documentation was in the possession of Gill & Co. on October 20, 2021, why such financial information and documentation was not disclosed to the Receiver.
8. Please confirm how frequently journal entries were made by Gill & Co. during the period commencing May 2021 and ending October 2022 in connection with the Shareholder Schedules.
9. Please confirm why, if Gill & Co was “not engaged by Golden Miles to perform any type of bookkeeping or tax filing services”, Gill & Co. was maintaining the Shareholder Schedule and making journal entries.
10. Please confirm why, if the journal entries were being made beginning in May 2021, Gill & Co. did not disclose such journal entries or anything related to the Shareholder Schedules in October 2021, when requested by the Receiver.
11. Please describe the steps taken by Gill & Co., if any, to verify, test or independently confirm the information set out in the Shareholder Schedules.
12. Please provide details of, and Gill & Co’s basis for recording in the Shareholder Schedules:
  - (a) the \$32,000 disbursement recorded as “Transfer to personal bank account” on February 23, 2021;
  - (b) the \$500,000 disbursement recorded as “Transfer to 6466982” listed in the Shareholder Schedule on March 29, 2021;
  - (c) the \$32,000 disbursement recorded as “TD VISA for Mr. Mahal” listed in the Shareholder Schedule on June 15, 2021;
  - (d) the \$100,000 disbursement recorded as “Transfer to Mr. Mahal” listed in the Shareholder Schedule on June 25, 2021;
  - (e) the \$21,306.76 and \$3,000 disbursements recorded as “Personal VISA” listed in the Shareholder Schedule on August 23, 2021 and September 7, 2021, respectively; and

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(f) the \$21,500 disbursement recorded as “Loan repaid to Mr. Santokh” listed in the Shareholder Schedule on October 4, 2021.

13. Please provide copies of all correspondence between Mr. Mahal and Gill & Co. made in connection with the preparation of the Shareholder Schedules.

*General*

14. Please provide a copy of the engagement letter or retainer agreement between Golden Miles and Gill & Co. governing the preparation of the Financial Statements and Shareholder Schedules.

The Receiver and Trustee intend to prepare a report to the Court, in response to the October 26 Affidavit, and Gill & Co’s answers to the foregoing questions, or its refusal to answer, will be included in this report. The Trustee reserves the right to examine a representative of Gill & Co. under oath if it is not satisfied with the responses to the foregoing questions.

The October 26 Affidavit was filed in connection with a motion brought by Mr. Mahal that is returnable on January 16, 2023. In order that the Receiver’s and Trustee’s supplement can be prepared and served sufficiently in advance of January 16, 2023, please provide written responses to the foregoing questions on or before **5 pm (Toronto Time) on Wednesday, November 23, 2022.**

\* \* \* \* \*

We look forward to your response.

Regards,

Chris Burr

Cc: M. Vininsky, N. Goldstein, KSV

## **Appendix “C”**



November 24, 2022

**VIA E-MAIL**

Chris Burr  
Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000  
Commerce Court West  
Toronto ON M5L 1A9

Dear Chris:

**Re: Golden Miles Food Corporation Financial Disclosure (Mahal)**  
**Client Matter No.: 99274-1**

Set out below are the answers provided by Mr. Mahal in response to the questions asked in your letter of November 11, 2022.

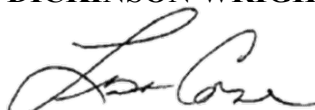
1. The Projections were prepared in 2020, at the request of and in conjunction with Paul Millar and Michael Slattery of Skymark. Mr. Mahal assumed that KSV had received the Projections from Skymark, and did not realize that the Projections were relevant until counsel explained the relevance to him on the eve of his cross examination, in response to the request by Skymark's counsel for production of all documents relevant to Mr. Mahal's motion for a declaration that his security over the personal property of Golden Miles is valid, enforceable and ranks first in priority pursuant to the PPSA.
2. There was no written correspondence between Mr. Mahal and Mr. Singh in connection with the Projections.
3. In September 2022, Mr. Mahal provided Gill & Co. with bank statements and excel spreadsheets containing the information requested by Gill & Co. The same bank statements and excel spread sheets are included in Mr. Mahal's affidavits delivered in the course of the receivership proceeding, and have been provided to KSV. No accounting system was used to prepare the information which was recorded on the spreadsheets. The excel spread sheets were prepared in September 2022, and disclosed to KSV shortly thereafter. Mr. Mahal was not in possession of the documents in 2021.

Chris Burr  
November 24, 2022  
Page 2

4. Mr. Mahal requested that Gill & Co. prepare the financial statements in September 2022.
5. Mr. Mahal received the financial statements from Gill & Co. in October 2022.
6. Mr. Mahal communicated with Gill & Co. by telephone. There is no written correspondence.
7. Mr. Mahal is a director of 12175622 Canada Inc. ("121"), and a director of Golden Miles. Pursuant to the Asset Purchase Agreement dated March 18, 2022 between 121 and KSV, 121 purchased all tax refunds owing to Golden Miles in respect of the period ending on or before September 30, 2021 (the "**Purchased Tax Refunds**"). In order to collect the Purchased Tax Refunds, 121 was required to file Golden Miles' financial statements and tax returns for the period ending September 30, 2021. Mr. Mahal was not able to confirm that KSV had arranged for the preparation of Golden Miles' financial statements and tax returns prior to the filing deadline. Therefore, Mr. Mahal requested that Gill & Co. prepare the financial statements of Golden Miles for the period ending September 30, 2021.
8. Mr. Mahal has requested the same from Gill & Co. and will provide when received.
9. Mr. Mahal is in the process of obtaining further details.
10. The communications were by telephone.
11. Mr. Mahal has requested a copy from Gill & Co. and will provide shortly.

Best regards,

**DICKINSON WRIGHT LLP**



Lisa S. Corne

LSC/jss

4863-4065-2607 v2 [99274-1]

## **Appendix “D”**

## Murtaza Tallat

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**From:** Murtaza Tallat  
**Sent:** June 1, 2022 4:16 PM  
**To:** Pardeep Gill  
**Cc:** Noah Goldstein; Mitch Vininsky  
**Subject:** RE: KSV/12175622 (Mahal) - Tax Refund

Hi Pardeep,

Due to the lack of books and records and disclosure from your clients regarding the pre-receivership periods, we did not have sufficient information to file proper returns for Golden Miles or MVCI for the period January 1 2021 to October 1, 2021, each of which were outstanding as at the date of the Receivership.

We discussed this with CRA and we were advised to file "Nil" returns (all fields entered as "0") in order to bring the returns current, so that we could start filing post-receivership returns.

Since the returns filed were "Nil" returns, there is no HST receivable for the pre-receivership period.

Thanks,



Murtaza Tallat

Manager

T 416.932.6031

M 647.640.4248

W [www.ksvadvisory.com](http://www.ksvadvisory.com)

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**From:** Pardeep Gill [pardeep@gillandco.ca](mailto:pardeep@gillandco.ca)  
**Sent:** June 1, 2022 2:20 PM  
**To:** Murtaza Tallat [mtallat@ksvadvisory.com](mailto:mtallat@ksvadvisory.com)  
**Cc:** Noah Goldstein [ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com)  
**Subject:** KSV/12175622 (Mahal) - Tax Refund

Hi Murtaza,

As a follow up to our discussion last Friday, I am confirming that my client has purchased the HST receivable of the debtors up to September 30, 2021 as per Schedule "D" (page 40) of the APA . Can you please confirm if any of the HST returns have been filed by KSV for Mahal Venture Capital Inc. and Golden Miles Food Corporation?

If you have filed the HST returns, please provide copies of the filings so I can estimate the amount and timing of the refund for my client. If you have not filed the HST returns, please advise if KSV or the client should be filing the HST returns.

Thanks,

Pardeep

**Pardeep Gill, CPA, CA**

Partner

Gill & Co., Chartered Accountants

2815 Thamesgate Drive

Mississauga, ON L4T 1G5

T: (905) 677-3322 Ext. 102

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[pardeep@gillandco.ca](mailto:pardeep@gillandco.ca)

[www.gillandco.ca](http://www.gillandco.ca)

