



**THE SUPREME COURT OF APPEAL OF SOUTH AFRICA**  
**MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF**  
**APPEAL**

**From:** The Registrar, Supreme Court of Appeal

**Date:** 10 June 2025

**Status:** Immediate

*The following summary is for the benefit of the media in the reporting of this case and  
does not form part of the judgments of the Supreme Court of Appeal*

*Maximum Profit Recovery (Pty) Ltd v Naledi Local Municipality & Others (340/2024) [2025]*  
*ZASCA 83 (10 June 2025)*

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Today, the Supreme Court of Appeal (SCA) dismissed an appeal against the judgment and order of the North West Division of the High Court, Mahikeng (high court). That appeal was brought by Maximum Profit Recovery Services (Pty) Ltd (Maximum Profit) against the Naledi Local Municipality (the municipality) and its municipal manager, Mr Modisenyane Segapo. The appeal concerned the validity of a contract awarded by the municipality to Triple M Advisory Services (Pty) Ltd (Triple M) for the provision of VAT recovery services.

The matter arose after the municipality published a tender in June 2021, inviting service providers to submit bids for appointment to a panel which would render various financial services, including VAT audits, for a period of three years. Sixteen companies, including Maximum Profit and Triple M, submitted bids. Nine bidders, among them Maximum Profit and Triple M, accepted appointments to the panel. In March 2022, the municipality invited four of the panellists, excluding Maximum Profit, to quote for VAT recovery services. The contract was ultimately awarded to Triple M for a three-year term commencing on 5 April 2021.

Aggrieved by the award process, Maximum Profit approached the high court to challenge the decision. It argued that the process was not fair, transparent, or competitive, and was contrary to s 217 of the Constitution, the Preferential Procurement Policy Framework Act 5 of 2000, and the municipality's own Supply Chain Management Regulations. The high court dismissed the application, finding that Maximum Profit had not established a basis for review.

On appeal to the SCA, the municipality and Mr Segapo argued that the matter was moot, as the contract with Triple M had already expired in April 2025. Maximum Profit contended that the dispute remained live, citing the potential for the same irregularities to recur and the possibility of financial consequences under the Municipal Finance Management Act 56 of 2003.

The SCA held that the appeal was indeed moot. It found no exceptional circumstances justifying the Court's intervention, noting that both Maximum Profit and Triple M had since been reappointed to the municipality's new panel of service providers. It further found that the case was fact-specific, raised no novel legal issues, and it would not serve the interests of justice to pronounce on the dispute.

While the municipality conceded during argument that it had acted irregularly by inviting only a select few panellists to submit quotes, the SCA found this did not justify hearing the matter. It also found that the issue of a just and equitable remedy was not properly before the Court.

In the result, the appeal was dismissed. Given that the challenge was not without merit and the municipality only conceded the irregularity late in the process, the SCA ordered that the parties should bear their own costs.

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