

**NATIONAL POWER CORPORATION, PLAINTIFF-APPELLEE, VS.
GLORIA LACSON-CAMON, ROSAURO DINO AND ANA CHRISTINA
FARMS, INC., REPRESENTED BY MANUEL A. PUEY,
DEFENDANTS-APPELLANTS.**

Ponente: QUIJANO-PADILLA, J.

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QUIJANO-PADILLA, J.:

This is an appeal[1] from the January 22, 2010 Decision[2] of the Regional Trial Court (RTC), Branch 54, Bacolod City in Civil Case No. 02-11660. The assailed Decision adopted the valuation for just compensation recommended by City Assessor Winefreda J. Aloro, a court-appointed Commissioner, at four hundred pesos (P400.00) per square meter as the fair market value of the subject property and ordered that defendants-appellees be paid the amount of one million seven hundred forty five thousand two hundred pesos (P1,745,200.00) as just compensation.

The Antecedents

This case stemmed from a complaint for eminent domain[3] filed by plaintiff-appellee National Power Corporation (NAPOCOR) against defendants-appellees Gloria Lacson-Camon, Rosauro Dino and Ana Christina Farms, Inc., represented by Manuel A. Puey on March 15, 2002, docketed as Civil Case 02-11660.

The subject of this controversy is a parcel of land situated in the Municipality of Talisay, Negros Occidental, and more particularly described as follows:[4]

Lot No. : 548

Title No. : T-69324[5]

TD/ARP No. : ARP-025-0575[6]

Whole Area in Sq. M : 106,344

Area Affected in Sq. M : 4,363

Assessed Value of the Whole Area P453,600.00

Assessed Value of the Area Affected P18,586.38

Class of Land AGRICULTURAL

NAPOCOR is a government-owned and controlled corporation created and existing by virtue of R.A. No. 6395, as amended, to undertake the development of hydro-electric generation of power and the production of power from any other source and to supply such power to the inhabitants of this country. To carry out into effect its mandate, NAPOCOR is authorized under its Charter to exercise the power of eminent domain.[7]

On the other hand, defendant-appellee Gloria Lacson-Camon is the registered owner of the above-described

property while defendant-appellee Rosauro Dino claims to own the same by virtue of a Deed of Absolute Sale executed by the former in the latter's favor. Defendant-appellee Ana Christina Farms, Inc. claims to be the lessee of the above-described property.[8]

The above-described property was sought to be expropriated by NAPOCOR for a public purpose, i.e., to construct and maintain its 138 KV Bacolod-Cadiz Transmission Line Project. The total area to be expropriated is 4,363 square meters, more or less, with an assessed value, as declared above, amounting to P18,586.38. After repeated negotiations failed, NAPOCOR filed the instant complaint. Pursuant to Section 2, Rule 67 of the Revised Rules of Court, NAPOCOR declared that it was willing to deposit the amount of P18,586.38, representing the assessed value of the above-described property, to enable NAPOCOR to take immediate possession and control of the same.[9]

After summons were served, defendants-appellees filed their Answer with Special and Affirmative Defenses.[10] In their Answer, defendants-appellees, by way of special and affirmative defenses, averred that the expropriation sought in this case is not for public purpose and neither is there reasonableness or practicality in the expropriation of the area subject matter of this case, there being no indication that there were no other areas equally suitable for the purpose alleged by NAPOCOR. Contrary to its allegations, defendants-appellees maintained that NAPOCOR never negotiated with them for the payment of just compensation. Defendants-appellees averred further that NAPOCOR failed to comply with the procedure for determining just compensation and should have considered the current expropriation price in the area and based on similar conditions, the area being near highly developed areas and is likewise residential in character. Finally, defendants-appellees invoked the ruling in *Napocor v. CA*,[11] that the taking should be reckoned from the filing of the expropriation proceedings and just compensation should refer to the value of the property as of the filing of the complaint.[12]

On May 15, 2002, NAPOCOR filed an Urgent Ex-Parte Motion for the Issuance of a Writ of Possession,[13] alleging that it had deposited with the Land Bank of the Philippines (LandBank)[14] the amount of P18,586.38 representing the assessed value of the area sought to be expropriated and in view thereof, prayed that a writ of possession be issued in its favor, but the said Motion was opposed[15] by the defendants-appellees arguing, among others, that NAPOCOR did not consider the assessed value of the improvements on the subject property in its computation of the just compensation.

In its Order[16] dated August 6, 2002, the RTC took note of the proposal agreement between NAPOCOR and defendants-appellees with respect to the amount to be deposited. During the pre-trial conference, NAPOCOR manifested that an additional deposit is being made in order for the said writ to be issued.[17] After the pre-trial was terminated, the RTC constituted a Board of Commissioners, composed of the Branch Clerk of Court and the City Assessor of Talisay City, to recommend the amount of just compensation of the area to be expropriated.

After the additional deposit was made by NAPOCOR with the LandBank, amounting to P87,314.32,[18] the RTC, in its Order dated October 14, 2002,[19] then directed for the issuance of a writ of possession. In the same Order, the RTC likewise granted the Motion to Withdraw Deposit[20] filed by defendants-appellees sans any objection[21] from NAPOCOR.[22] On January 13, 2003, the writ of possession was issued.[23]

On October 3, 2007, court-appointed Commissioner Winefreda J. Aloro, City Assessor of Talisay, Negros Occidental, submitted her Narrative Report,[24] which valuation of the just compensation was arrived at in this manner:

“xxx.

The said property is currently appraised and classified as agricultural for it is planted with sugarcane along the provincial road going to Brgy. Concepcion. The said property is 7.2 kilometers away from the public

market/poblacion, 1 kilometer from Don Simplicio Lizares Elementary School, 7.6 kilometers from Carlos Hilado Memorial State College, 16 kilometers to First Farmers Milling Corporation, 9 kilometers to the New Government Center, 5.4 kilometer to Menlo Subdivision and 4.3 kilometers from Talisay Townes Heights and 2.3 kilometers from Bayanihan Habitat Homes. Based on the Zoning Ordinance[,], the said property is classified as Agricultural Area.

xxx.

Based also on the analysis and investigation on the current selling price of the land in its neighborhood, the said analysis are currently classified as per zoning ordinance as agricultural. Considering the appraisal/assessment of lands which are agricultural in classification and the current unit value for the said land as per our records is P120,000.00 per hectare or P12.00 per square meter for taxation purposes.

Another factor that the undersigned consider (sic) are (sic) the schedule of the unit value of the different classes of land in the City of Talisay and several lots purchased by the City Government of Talisay for its different projects like the following:

Schedule of Unit Value of Residential lot in Brgy. Matabang, City of Talisay

P625.00

Deed of Sale (Govt. Center Site)

275.00

New Public Market

275.00

Schedule of Sugarland per square meter

12.00

Schedule of Unit Value of Residential (Menlo)

800.00

As per Deed of Sale (Habitat)

80.00

As per Deed of Sale (Employees Village)

100.00

As per Deed of Sale (Menlo Subd.)

916.00

P3,083.00/8

= 385.37 or 400/square meters

Now therefore, based on the sales data approach, in my opinion, the fair market value of the said property [in] the amount of FOUR HUNDRED PESOS (P400.00) per square meter is JUST, FAIR and REASONABLE.”

Meanwhile, court-appointed Commissioner Felisa A. Capulong submitted her Ocular Report[25] on October 4, 2007, which contained her valuation of the just compensation, as follows:

“Since it is located approximately seven (7) kilometers from the town proper and along the provisional road leading from Talisay City to Barangay Concepcion, it is very accessible to transportation which adds to its high market value.

It was also noted that as of the (sic) 2003, the Schedule of Base Unit Market Value for Residential, Commercial and Industrial Lands have pegged the market value of land at the area where this lot is located at P/1,200.00 per square meter.

Considering the topographical terrain of the property, its character and use, its accessibility to road and transportation as well as its valuation as shown by the Schedule of Base Unit Market Value for Residential, Commercial and Industrial Lands, it is recommended that the Fare (sic) Market Value of Lot 548 under Title No. T-69324 as P/800.00 per square meter as of 2002.”

The Ruling of the RTC

In its presently assailed January 22, 2010 Decision,[26] the RTC accepted the factual findings and analysis contained in the Narrative Report and adopted the valuation recommended by Commissioner Aloro. The dispositive portion of which reads:

“WHEREFORE, judgment is hereby rendered fixing the compensation for the Four Thousand Three Hundred Sixty Three (4,363) square meters, and plaintiff is ordered to pay the defendants the sum of ONE MILLION SEVEN HUNDRED FORTY FIVE THOUSAND TWO HUNDRED (P/1,745,200.00) PESOS, less the amount deposited and taken by the defendants.”[27]

Dissatisfied with the foregoing decision, NAPOCOR appealed before Us with this lone assignment of errors:

THE COURT A QUO ERRED WHEN IT FIXED THE AMOUNT OF JUST COMPENSATION FOR THE SUBJECT TRACT OF LAND BASED ON ITS VALUE, NOT AT THE TIME OF TAKING, BUT ON ITS SUPPOSED ADAPTABILITY FOR CONVERSION INTO A RESIDENTIAL SITE IN THE FUTURE.[28]

This Court’s Ruling

The instant appeal lacks merit.

However, before proceeding, We wish to emphasize the basic jurisprudential tenets that come into play here.

Eminent domain is the power of the State to take private property for public use.[29] It is an inherent power of State as it is a power necessary for the State's existence; it is a power the State cannot do without.[30] As an inherent power, it does not need at all to be embodied in the Constitution; if it is mentioned at all, it is solely for purposes of limiting what is otherwise an unlimited power. The limitation is found in the Bill of Rights[31] – that part of the Constitution whose provisions all aim at the protection of individuals against the excessive exercise of governmental powers.

Section 9, Article III of the 1987 Constitution, which reads that no private property shall be taken for public use without just compensation, provides two essential limitations to the power of eminent domain, namely, that (1) the purpose of taking must be for public use and (2) just compensation must be given to the owner of the private property.

Constitutionally, "just compensation" is the sum equivalent to the market value of the property, broadly described as the price fixed by the seller in open market in the usual and ordinary course of legal action and competition, or the fair value of the property as between the one who receives and the one who desires to sell, it being fixed at the time of the actual taking by the government. Just compensation is defined as the full and fair equivalent of the property taken from its owner by the expropriator. It has been repeatedly stressed by this Court that the true measure is not the taker's gain but the owner's loss. The word "just" is used to modify the meaning of the word "compensation" to convey the idea that the equivalent to be given for the property to be taken shall be real, substantial, full and ample.[32]

In the determination of such value, it has been consistently held that the determination of just compensation is a judicial function. No statute, decree, or executive order can mandate that its own determination shall prevail over the court's findings.[33] Any valuation for just compensation laid down in statutes merely serve as guides or factors and may not substitute the court's own judgment as to what amount should be awarded and how to arrive at such amount.[34]

The Just Compensation Awarded by RTC is Just, Fair and Reasonable

NAPOCOR contends that the amount of just compensation fixed by the trial court is unjust, unlawful and contrary to existing jurisprudence, because just compensation in expropriation cases must be determined from the time of the filing of the complaint or the time of taking of the subject property. According to NAPOCOR, the trial court ignored the established factors to be appreciated in arriving at the fair market value of the subject property when it did not consider the BIR zonal valuation for the subject property. Likewise, it did not take into account the Philippine National Bank's appraised value of the subject property. Neither did it consider the deed of sale relating to the adjoining properties to at least prove the reasonable price of the land located at Brgy. Matabang, Talisay City, Negros Occidental.

We do not agree.

Section 5 of R.A. 8974 enumerates the standards for assessing the value of expropriated land taken for national government infrastructure projects, thus:

SECTION 5. Standards for the Assessment of the Value of the Land Subject of Expropriation Proceedings or Negotiated Sale. – In order to facilitate the determination of just compensation, the court may consider, among other well-established factors, the following relevant standards:

- (a) The classification and use for which the property is suited;
- (b) The developmental costs for improving the land;

- (c) The value declared by the owners;
- (d) The current selling price of similar lands in the vicinity;
- (e) The reasonable disturbance compensation for the removal and/or demolition of certain improvements on the land and for the value of the improvements thereon;
- (f) The size, shape or location, tax declaration and zonal valuation of the land;
- (g) The price of the land as manifested in the ocular findings, oral as well as documentary evidence presented; and
- (h) Such facts and events as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible.

Zonal valuation is just one of the indices of the fair market value of real estate. By itself, this index cannot be the sole basis of "just compensation" in expropriation cases. The case of *EPZA v. Dulay*[35] is instructive, thus:

“Various factors can come into play in the valuation of specific properties singled out for expropriation. The values given by provincial assessors are usually uniform for very wide areas covering several barrios or even an entire town with the exception of the poblacion. Individual differences are never taken into account. The value of land is based on such generalities as its possible cultivation for rice, corn, coconuts or other crops. Very often land described as 'cogonal' has been cultivated for generations. Buildings are described in terms of only two or three classes of building materials and estimates of areas are more often inaccurate than correct. Tax values can serve as guides but cannot be absolute substitutes for just compensation.”

Among the factors to be considered in arriving at the fair market value of the property are the cost of acquisition, the current value of like properties, its actual or potential uses, and in the particular case of lands, their size, shape, location, and the tax declarations thereon. The measure is not the taker's gain but the owner's loss.[36] To be just, the compensation must be fair not only to the owner but also to the taker.[37]

In this case, the trial court considered the following: (1) the classification of the subject property which is located in an area with a residential use and the property's conversion from agricultural to residential land, (2) the current selling price of similar lands in the vicinity, and (3) the price of the subject property as manifested in the ocular findings. It also found the commissioner's recommended valuation of P400.00 per square meter to be fair and just.

Absent any allegation of irregularity or grave abuse of discretion, the factual findings of the lower courts, if substantiated by the Commissioners' Report, are perforce binding and conclusive on this Court and will no longer be disturbed.[38] Hence, the judicial determination of the value of the expropriated portion amounting to P400.00 per square meter is affirmed.

Moreover, where only a portion is actually taken, the rule is that in addition to the market value of the portion taken, the owner is also entitled to recover the consequential damage, if any, of the remaining part of the property. At the same time, from the total compensation must be deducted the value of the consequential benefits.[39]

At the time of the taking, the subject property was planted with sugarcane. Considering the nature and the effect of the installation of power lines, the limitations on the use of the land for an indefinite period would deprive the occupant/owner of the normal use of the property.[40] Aside from the actual damage done to the property traversed by the transmission lines, the agricultural and economic activity normally undertaken on the entire property is unquestionably restricted and perpetually hampered as the environment is made dangerous to the occupant's life and limb.[41] All the facts as to the condition of the property and its surroundings, as well as its

improvements and capabilities, should be considered in determining just compensation.[42]

In upholding the valuation fixed by the trial court, We likewise take into account the valuation which the NAPOCOR has agreed to pay to other landowners similarly situated with the subject property. Records reveal that NAPOCOR had agreed to pay the amount of P425.00 per square meter as just compensation in Civil Case No. 5943 involving Mayo L. Lacson.[43] Likewise in Civil Case No. 5940 involving Rosario P. Mendoza, when elevated to this Court in CA-GR CV No. 71437, NAPOCOR was directed to pay P450.00 per square meter as just compensation.[44] It bears noting that the lots owned by Lacson and Mendoza as well as the subject property are all situated in Brgy. Matabang, Municipality of Talisay, Negros Occidental. More crucially, the valuations in the mentioned cases were pegged at a much earlier date than the valuation of the subject property. Considerably, this Court finds that the amount of P400.00 per square meter as just compensation to be paid to defendants-appellees is just, fair and reasonable.

The Legal Interest Rate of 6% Per Annum Is Imposable

Section 10, Rule 67 of the 1997 Rules of Civil Procedure provides:

SEC. 10. Rights of plaintiff after judgment and payment. - Upon payment by the plaintiff to the defendant of the compensation fixed by the judgment, with legal interest thereon from the taking of the possession of the property, or after tender to him of the amount so fixed and payment of the costs, the plaintiff shall have the right to enter upon the property expropriated and to appropriate it for the public use or purpose defined in the judgment, or to retain it should he have taken immediate possession thereof under the provision of section 2 hereof. x x x.

Clearly from the foregoing, defendants-appellees are entitled to the payment of legal interest on the compensation for the subject property from the time of the taking of its possession up to the time that full payment is made by NAPOCOR.

In *Republic v. Court of Appeals*,^[45] the need for prompt payment and the necessity of the payment of interest to compensate for any delay in the payment of compensation for property already taken was recognized. It was ruled that:

“The constitutional limitation of “just compensation” is considered to be the sum equivalent to the market value of the property, broadly described to be the price fixed by the seller in open market in the usual and ordinary course of legal action and competition or the fair value of the property as between one who receives, and one who desires to sell, i[f] fixed at the time of the actual taking by the government. Thus, if property is taken for public use before compensation is deposited with the court having jurisdiction over the case, the final compensation must include interest[s] on its just value to be computed from the time the property is taken to the time when compensation is actually paid or deposited with the court. In fine, between the taking of the property and the actual payment, legal interest[s] accrue in order to place the owner in a position as good as (but not better than) the position he was in before the taking occurred.”

In *Republic*, the Court recognized that the just compensation due to the landowners for their expropriated property amounted to an effective forbearance on the part of the State.^[46]

Recently, however, the Bangko Sentral ng Pilipinas Monetary Board (BSP-MB), in its Resolution No. 796 dated May 16, 2013, approved the amendment of Section 2^[47] of Circular No. 905, Series of 1982 and, accordingly, issued Circular No. 799,^[48] Series of 2013, effective July 1, 2013, the pertinent portion of which reads:^[49]

The Monetary Board, in its Resolution No. 796 dated 16 May 2013, approved the following revisions governing the rate of interest in the absence of stipulation in loan contracts, thereby amending Section 2 of Circular No. 905, Series of 1982:

Section 1. The rate of interest for the loan or forbearance of any money, goods or credits and the rate allowed in judgments, in the absence of an express contract as to such rate of interest, shall be six percent (6%) per annum.

Section 2. In view of the above, Subsection X305.1 of the Manual of Regulations for Banks and Sections 4305Q.1, 4305S.3 and 4303P.1 of the Manual of Regulations for Non-Bank Financial Institutions are hereby amended accordingly.

This Circular shall take effect on 1 July 2013. (Emphasis Ours)

Thus, from the foregoing, in the absence of an express stipulation as to the rate of interest that would govern the parties, the rate of legal interest for loans or forbearance of any money, goods or credits and the rate allowed in judgments shall no longer be twelve percent (12%) per annum - as reflected in the case of *Eastern Shipping Lines*[50] and Subsection X305.1 of the Manual of Regulations for Banks and Sections 4305Q.1, 4305S.3 and 4303P.1 of the Manual of Regulations for Non-Bank Financial Institutions, before its amendment by BSP-MB Circular No. 799 - but will now be six percent (6%) per annum effective July 1, 2013. It should be noted, nonetheless, that the new rate could only be applied prospectively and not retroactively. Consequently, the twelve percent (12%) per annum legal interest shall apply only until June 30, 2013. Come July 1, 2013 the new rate of six percent (6%) per annum shall be the prevailing rate of interest when applicable.[51]

Corollarily, in the recent case of *Advocates for Truth in Lending, Inc. and Eduardo B. Olaguer v. Bangko Sentral Monetary Board*,[52] this Court affirmed the authority of the BSP-MB to set interest rates and to issue and enforce Circulars when it ruled that "the BSP-MB may prescribe the maximum rate or rates of interest for all loans or renewals thereof or the forbearance of any money, goods or credits, including those for loans of low priority such as consumer loans, as well as such loans made by pawnshops, finance companies and similar credit institutions. It even authorizes the BSP-MB to prescribe different maximum rate or rates for different types of borrowings, including deposits and deposit substitutes, or loans of financial intermediaries." [53]

To recapitulate and for future guidance, the guidelines laid down in the case of *Eastern Shipping Lines*[54] are accordingly modified to embody BSP-MB Circular No. 799, as follows:

I. When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.

II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:

When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 6% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal

interest shall, in any case, be on the amount finally adjudged.

When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

And, in addition to the above, judgments that have become final and executory prior to July 1, 2013, shall not be disturbed and shall continue to be implemented applying the rate of interest fixed therein.[55]

Being the established ruling that stood before this Court, this would be the ruling that this Court shall endeavor to maintain and affirm.

As borne from the records, an Order granting the issuance of the writ of possession in NAPOCOR's favor was issued on October 14, 2002. However, it was only on January 13, 2003, through an Order by the trial court, that the said writ of possession was issued and on January 31, 2003 that the subject property was personally delivered to NAPOCOR and defendants-appellees were actually dispossessed and ejected from the subject premises.[56]

Clearly then, the legal interest at 6% per annum must be reckoned on January 31, 2003 and imposed only on the difference between the value of the expropriated land (P1,745,200.00) and the amount of P87,314.32 already withdrawn by defendants-appellees.[57] The difference between these figures shall bear interest at the rate of 6% per annum from the time the subject property was taken on January 31, 2003 up to the time of payment.

WHEREFORE, premises considered, the instant appeal is DENIED. The January 22, 2010 Decision of the Regional Trial Court, Branch 54, Bacolod City in Civil Case No. 02-11660 is MODIFIED with regard to the payment of legal interest at six percent (6%) per annum computed from the time NAPOCOR took possession of the subject property or on January 31, 2003 until the balance is fully paid.

In all other respects, the Decision appealed from is AFFIRMED.

SO ORDERED.

Hernando, and Francisco,[*] JJ., concur.

[*] Acting Third Member per Office Order No. 15-14-GTI dated June 30, 2014.

[1] See Notice of Appeal, records, pages 352-353.

[2] Penned by Judge Demosthenes L. Magallanes, records, pages 349-350.

[3] See Complaint, records, pages 1-5.

[4] See page 2 of Complaint, records, page 2.

[5] Records, pages 6-9.

[6] Records, page 10.

[7] Supra, at note 3.

[8] Supra, at note 3.

[9] Supra, at note 3.

[10] Records, pages 13-17.

- [11] G.R. No. 113194, March 11, 1996.
- [12] Supra.
- [13] Records, pages 21-23.
- [14] See Certification, records, page 24.
- [15] See Opposition to Urgent Ex-Parte Motion for the Issuance of Writ of Possession, records, pages 35-39.
- [16] Records, page 44.
- [17] See Order dated September 4, 2002, records, page 46.
- [18] See Certification, records, page 50.
- [19] Records, page 91.
- [20] See Motion to Withdraw Deposit, records, pages 51-52.
- [21] See Manifestation, records, pages 54-55.
- [22] Supra, at note 18.
- [23] Records, pages 254-255.
- [24] Records, pages 346-347.
- [25] Records, page 348.
- [26] Supra at note 2.
- [27] See page 2 of RTC Decision, records, page 350.
- [28] See Appellant's Brief, rollo, page 26.
- [29] See Masikip v. City of Pasig, G.R. No. 136349, January 23, 2006, 479 SCRA 391, citing Visayan Refining Co. v. Camus, 40 Phil. 550, 558-559 (1919).
- [30] See Manapat v. Court of Appeals, G.R. Nos. 110478, 116176 and 116491-503, October 15, 2007, 536 SCRA 32.
- [31] See Heirs of Alberto Saguitan v. City of Mandaluyong, G.R. No. 135087, March 14, 2000, 328 SCRA 137.
- [32] Land Bank of the Philippines v. Orilla, G.R. No. 157206, June 27, 2008.
- [33] Export Processing Zone Authority v. Dulay, G.R. No. L-59603, April 29, 1987, 149 SCRA 305, 315.
- [34] National Power Corporation v. Maria Bagui, et al., G.R. No. 164964, October 17, 2008; Napocor v. Tuazon, G.R. No. 193023, June 22, 2011.
- [35] Supra.
- [36] Republic v. Court of Appeals, G.R. No. 160379, August 14, 2009, 596 SCRA 57, 70, citing B.H. Berkenkotter & Co. v. Court of Appeals, G.R. No. 89980, December 14, 1992, 216 SCRA 584, 586 & 587.
- [37] Supra.
- [38] LBP v. Montalvan, G.R. No. 190336, June 27, 2012.

[39] Napocor v. Purefoods Corp., 565 SCRA 17, 33 (2008); Napocor v. Sps. Chiong, 404 SCRA 527, 539 (2003).

[40] Napocor v. Tuazon, *supra*.

[41] Napocor v. Aguirre-Paderanga, 464 SCRA 481, 495 (2005) reiterated in Napocor v. Purefoods Corp., 565 SCRA 17, 32 (2008) and in Republic represented by Napocor v. Sps. Libunao, 594 SCRA 363, 377 (2009).

[42] Export Processing Zone Authority v. Dulay, *supra*; Napocor v. Tiangco, G.R. No. 170846, February 6, 2007; Napocor v. San Pedro, 503 SCRA 333, 349 (2006).

[43] Napocor v. Villamore, 590 SCRA 11, 21-23 (2009).

[44] Napocor v. Gonzaga, et al., March 17, 2011.

[45] G.R. No. 146587, July 2, 2002.

[46] G.R. No. 146587, July 2, 2002.

[47] SECTION 2. The rate of interest for the loan or forbearance of any money, goods or credits and the rate allowed in judgments, in the absence of express contract as to such rate of interest, shall continue to be twelve percent (12%) per annum.

[48] Rate of interest in the absence of stipulation; Dated June 21, 2013.

[49] Nacar v. Gallery Frames, G.R. No. 189871, August 13, 2013.

[50] In *Eastern Shipping Lines, Inc. v. Court of Appeals* (G.R. No. 97412, July 12, 1994), it was held:

1. When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.

2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.

3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.

[51] Nacar v. Gallery Frames, *supra*.

[52] G.R. No. 192986, January 15, 2013.

[53] G. R. Nos. 60225-26, May 8, 1992.

[54] Supra, at note 49.

[55] Nacar v. Gallery Frames, supra.

[56] See Return of Service by Sheriff IV Jose A. Tambanillo, records, page 259.

[57] See Manifestation/Compliance, records, pages 92-93; see also LBP Certification, records, page 94.

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