

**THE PHILIPPINE AMERICAN ACCIDENT INSURANCE COMPANY, INC.,
PETITIONER-APPELLANT, VS. THE HON. JOSE P. FLORES, AND
CONCORDIA G. NAVALTA, RESPONDENTS-APPELLEES.**

G.R. No. L-47180. May 19, 1980

Ponente: ABAD SANTOS, J.

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ABAD SANTOS, J.:

Petition to review the Order of the respondent judge dated August 24, 1977. The facts are simple.

Private respondent was the plaintiff and the petitioner was the defendant in Civil Case No. 2414 of the Court of First Instance of La Union. On January 22, 1973, the respondent judge rendered judgment in said case, the dispositive portion of which reads:

"IN VIEW OF THE FOREGOING, the Court hereby renders judgment and sentences the defend-ant to pay Concordia Garcia Navalta the amount of P75,000.00 with legal interest from October, 1968, P1,000.00, as attorney's fees and the cost of suit."

The decision was appealed by the petitioner to the Court of Appeals in CA-G.R. No. 52675-R but was affirmed on February 7, 1977. On February 24, 1977, the petitioner paid the following amounts to the private respondent:

On the principal - P 75, 000.00

Interest at 6% per annum

from Oct. 1968[*] to

April 30, 1977 - P 38, 250.00

Attorney's fee - P 1, 000.00

Total

([*]Art. 2209 of the Civil Code provides: "If the obligation consists in the payment of a sum of money, and the debtor incurs in delay, the indemnity for damages, there being no stipulation to the contrary, shall be the payment of the interest agreed upon, and in the absence of stipulation, the legal interest, which is six per cent per annum." This appears to be the basis for awarding interest at the legal rate from October, 1968, although the debt was judicially demanded only on July 6, 1970.)

The petitioner was advised by the respondent and her counsel that the payment was not in full satisfaction of the judgment because the former had to pay compound interest or an additional sum of P10,375.77.

Upon refusal of the petitioner to pay the sum additionally claimed, the private respondent secured a writ of execution for the same which the former sought to quash over the opposition of the latter. In resolving the

question the respondent judge issued an Order on August 24, 1977 as follows:

"After hearing and consideration of the motion of the plaintiff for the issuance of an alias writ of execution, and the written manifestation and opposition filed by the defendant and finding as it appears that the written schedule of interest computation, which was submitted, is correct and in order, because compound interest has been computed from July 6, 1970 when the claim was judicially demanded, let an alias writ of execution issue to satisfy accordingly the unpaid balance as demanded."

It is this Order which is the object of this petition and which raises the question as to whether or not the petitioner is obligated to pay compound interest under the judgment.

The questioned Order cannot be sustained. The judgment which was sought to be executed ordered the payment of simple "legal interest" only. It said nothing about the payment of compound interest. Accordingly, when the respondent judge ordered the payment of compound interest he went beyond the confines of his own judgment which had been affirmed by the Court of Appeals and which had become final. Fundamental is the rule that execution must conform to that ordained or decreed in the dispositive part of the decision. Likewise, a court can not, except for clerical errors or omissions, amend a judgment that has become final. (*Jabon, et al. vs. Alo, et al.*, 91 Phil. 750 [1952]; *Robles vs. Timario, et al.*, 107 Phil. 809 [1960]; *Collector of Internal Revenue vs. Gutierrez, et al.*, 108 Phil. 215 [1960]; *Ablaza vs. Sycip, et al.*, 110 Phil. 4 [1960].)

Private respondent invokes Sec. 5 of the Usury Law which reads in part as follows: "In computing the interest on any obligation, promissory note or other instrument or contract, compound interest shall not be reckoned, except by agreement, or, in default thereof, whenever the debt is judicially claimed in which last case it shall draw six per centum per annum interest x x x" as well as Art. 2212 of the Civil Code which stipulates: "Interest due shall earn legal interest from the time it is judicially demanded, although the obligation may be silent upon this point." Both legal provisions are inapplicable for they contemplate the presence of stipulated or conventional interest which had accrued when demand was judicially made. (*Sunico vs. Ramirez*, 14 Phil. 500 [1909]; *Salvador vs. Palencia*, 25 Phil. 661 [1913]; *Bachrach vs. Golingo*, 39 Phil. 912 [1919]; *Robinson vs. Sackermann*, 46 Phil. 539 [1924]; *Philippine Engineering Co. vs. Green*, 48 Phil. 466 [1925]; and *Cu Unjieng vs. Mabalacat Sugar Co.*, 54 Phil. 916 [1930].) In this case no interest had been stipulated by the parties. In other words, there was no accrued conventional interest which could further earn interest upon judicial demand.

WHEREFORE, the Order dated August 24, 1977, of the respondent judge is hereby set aside. No special pronouncement as to costs.

SO ORDERED.

Barredo, (Chairman), Aquino, Concepcion, Jr., and De Castro, JJ., concur.

[*] Justice Pacifico de Castro has been designated to sit with the Second Division.

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