

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. HON. COURT OF APPEALS, THE PROVINCIAL SHERIFF OF CAVITE AND VICTOR G. VALENCIA, RESPONDENTS.

G.R. No. 103590. January 29, 1993

Ponente: DAVIDE, JR., J.

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DAVIDE, JR., J.:

In this petition for review on certiorari under Rule 45 of the Rules of Court, petitioner would have Us annul and set aside, for being inconsistent with law and jurisprudence, the Resolution[1] of the Court of Appeals (Special Eleventh Division) of 15 January 1992 in CA-G.R. SP No. 24021 which reversed its previous Decision[2] of 28 June 1991. This decision set aside the 7 June 1990, 10 September 1990 and 5 December 1990 Orders of Branch 19 of the Regional Trial Court (RTC) of the Fourth Judicial Region, sitting at Bacoor, Cavite, in Civil Case No. BCV 78-33 entitled "Victor G. Valencia versus Queen's Row Subdivision, Inc. and the Government Service Insurance System."

As disclosed by the pleadings, the salient facts surrounding the instant controversy are as follows:

Several years back, the Queen's Row Subdivision, Inc. (QRSI) entered into a construction project agreement with the Government Service Insurance System (GSIS) by virtue of which the latter agreed to extend a financing loan to the former for the construction and development of a residential subdivision, comprising some four thousand four hundred ninety-three (4,493) housing units, situated at Molino, Bacoor, Cavite; these units were to be sold to GSIS members in accordance with the System's housing program.

Pursuant to said project agreement, QRSI entered into a construction contract with private respondent Valencia involving various phases of land development in the said subdivision. Upon accomplishing and completing his undertaking under the contract, Valencia demanded payment from QRSI. Despite repeated demands, however, QRSI refused to pay. Valencia then filed the complaint in the aforementioned Civil Case No. BCV-78-33, an action for a sum of money with prayer for the issuance of a writ of preliminary attachment. During the trial of the case, Valencia, after manifesting that he was not seeking any relief against the personal funds of petitioner GSIS, proceeded to present his evidence. No evidence was offered by both the petitioner and QRSI.

On 2 March 1982, the trial court rendered its decision, the dispositive portion of which reads:

"WHEREFORE, premises considered, the Court hereby renders judgment in favor of the plaintiff and against the defendants, as follows:

1. Ordering defendant Queen's Row to pay plaintiff the sum of FOUR HUNDRED FORTY EIGHT THOUSAND THREE HUNDRED SEVENTY FOUR and 01/100 Pesos (P448,374.01), for the first cause of action; the sum of TWO HUNDRED FOUR THOUSAND EIGHT HUNDRED TWENTY ONE and 32/100 Pesos (P204,821.32), for the second cause of action; the sum of ONE HUNDRED TWO THOUSAND EIGHT HUNDRED SIXTY SIX and 37/100 (P102,866.37) Pesos under the third cause of action and ordering the said defendant to return to plaintiff the amount of TEN THOUSAND PESOS (P10,000.00) posted as performance

bond, the same amounts to be recovered by plaintiff shall bear legal rate of interest from the date of demands on February 10, 1974, September 13, 1976 and February 3, 1977, for the first, second and third causes of action, respectively;

2. Sentencing defendant Queen's Row to pay attorney's fees in favor of the plaintiff in the sum equal to twenty (20%) percent of the said amounts ordered recovered and payable to said plaintiff;

3. Requiring defendant GSIS to hold whatever amounts it has granted to, retained and obtained for defendant Queen's Row, and to deliver same to plaintiff by way of payment to the aforecited amount ordered recovered by plaintiff, the same to be credited as payment made by defendant Queen's Row. It is distinctly made clear that defendant GSIS shall not be personally liable for the said obligation of co-defendant Queen's Row, except, as herein above-ordered; however, pending payment of the said claim of plaintiff, defendants are ordered to respect and satisfy the contractor's lien in favor of the plaintiff as provided for by law.

4. Defendant Queen's Row is hereby ordered to pay the costs.

5. All other claims and counterclaims are hereby ordered dismissed.

SO ORDERED."[3]

On 25 March 1982, Valencia filed a motion for execution pending appeal. Actually, no motion for reconsideration or notice of appeal was filed by both QRSI and the petitioner. Although the motion was granted by the trial court, the writs issued as a consequence thereof were returned unsatisfied. Thereupon, private respondent Valencia filed a Motion for Examination of Debtors of the Judgment Debtor. With the permission of the trial judge, a certain Mr. Valeriano M. Espiritu, a plaintiff in a separate collection suit against both the petitioner and QRSI,[4] was joined as movant with Valencia. Acting on said motion, the trial court ordered Mr. Armando Diaz, Assistant General Manager for Loans and Investments of the GSIS, to appear and testify in accordance with Sections 38 to 40, Rule 39 of the Rules of Court.

On 10 November 1982, respondent Valencia filed a petition to cite petitioner in contempt of court for the latter's failure to comply with the writ of execution. On 15 November 1982, the trial court issued an order directing the petitioner to comply with the writ of execution and instructing Mr. Diaz to appear on 26 November 1982 under pain of contempt should he fail to do so. On 23 November 1982, petitioner filed an Urgent Motion for Reconsideration of the 15 November 1982 Order. Pending resolution of this motion, petitioner partially paid respondent Valencia on 26 November 1982 the amount of ONE HUNDRED FIFTY FOUR THOUSAND FOUR HUNDRED SEVENTY SIX and 14/100 PESOS (P154,476.14) out of the retained funds held for the account of QRSI.

Thereafter, on 20 October 1983, another alias writ of execution was issued by the trial court.

On 5 December 1983, respondent Sheriff served upon the petitioner a notice of garnishment upon all monies and credits belonging to QRSI which were under the control and possession of the petitioner. An answer to the Sheriff's notice was submitted by the latter stating that the GSIS is not a debtor of QRSI; that it has no credits, monies or interests belonging to QRSI in its possession or control; and that it is in fact the biggest creditor of QRSI whose outstanding account as of 9 December 1983 stood at FIFTY EIGHT MILLION TWO HUNDRED SIXTY ONE THOUSAND SEVEN HUNDRED SEVENTY THREE and 19/100 PESOS (P58,261,773.19).

In its 5 July 1985 Order, the trial court ruled that the petitioner was holding funds for QRSI; it thus directed the petitioner to pay both Valencia and Valeriano Espiritu the amount adjudged and covered by the writs of execution after deducting the payments previously made. The dispositive portion of the Order reads:

"x x x WHEREFORE, premises considered, this Court holds that defendant GSIS holding funds for defendant

QRSI has more than sufficient funds to pay the obligation of said Queen's Row Subdivision, Inc. with the plaintiffs. Consequently, the defendant GSIS is ordered to pay to plaintiffs the judgment rendered and covered by writs of execution after deducting the payments previously made. x x x "[5]

Petitioner's motion for reconsideration of the said order was denied by the trial court in its Order of 22 May 1986 on the ground that, inter alia, the claim that QRSI is obligated to the GSIS was not established by evidence during the trial of the case. The Order reads in part:

"x x x Considering that the facts cited are not properly shown in the record, the court cannot see any plausible reason to reverse or otherwise sustain the motion of defendant GSIS.

WHEREFORE, finding no merit in the motion for reconsideration filed by defendant GSIS, the same is hereby denied."[6]

On 9 June 1986, the trial court again issued an alias writ of execution. Consequently, notices of garnishment were served by the Sheriff upon the petitioner and the Philippine National Bank (PNB).

On 13 June 1986, petitioner filed a motion for the reconsideration of the 22 May 1986 Order and on 16 June 1986, it filed a Notice of Appeal Ad Cautelam from the Orders of 5 July 1985 and 22 May 1986. It thereafter filed its motion to quash the alias writ of execution.

In its Order of 10 July 1986, the trial court denied the aforesaid motion for reconsideration.

The petitioner thus filed on 18 September 1986 with the Court of Appeals a petition for certiorari and prohibition to set aside the aforesaid Orders of 5 July 1985, 22 May 1986 and 10 July 1986, as well as the alias writ of execution of 9 June 1986 and the Notice of Garnishment of 10 June 1986. The case was docketed as CA-G.R. SP No. 09956.

In its Decision promulgated on 17 April 1986, the Court of Appeals dismissed the aforesaid petition principally on the ground that the trial court's Decision of 2 March 1982 "has long become final" as neither QRSI nor the herein petitioner had moved for its reconsideration or appealed therefrom within the reglementary period. It considered as "inexcusable" petitioner's contention -- that it did not need to appeal the decision because according to the trial court, "defendant GSIS shall not be personally liable for the obligation of QRSI" -- because the following portion of the trial court's decision:

"3. Requiring defendant GSIS to hold whatever amounts it has granted to, retained and obtained for defendant Queen's Row, and to deliver same to plaintiff by way of payment of the aforecited amount ordered recovered by plaintiff, the same to be credited as payment made by defendant Queen's Row. It is distinctly made clear that defendant GSIS shall not be personally liable for the said obligation of co-defendant Queen's Row, except, as herein above-ordered; however, pending payment of the said claim of plaintiff, defendants are ordered to respect and satisfy the contractor's lien in favor of the plaintiff as provided for by law."[7]

constitutes:

"x x x a final or definitive judgment on the merits from which the party adversely affected can make an appeal. Said decision imposes an obligation on GSIS which GSIS has acquiesced to do by its failure to appeal therefrom."[8]

and that:

"Consequently, when GSIS conformed to the decision and allowed it to attain finality, it in effect admitted that indeed it has in its possession or control credits, monies, and interests belonging to QRSI and therefore it obliged itself to pay the latter's obligation to Valencia as in fact, it did make a partial payment thereto in the

amount of P154,476.14 (Annexes "A" and "B", p. 141, Ibid) on November 26, 1982.

And as pointed out by the private respondent in its Comment to the petition, the challenged decision has not only become final and executory but has in fact been partially executed by virtue of the payment on November 26, 1982 by GSIS pursuant to a writ of execution issued against it out of its retentions. The fact of payment meanwhile also constitutes as (sic) a waiver of the legal compensation being invoked by petitioner GSIS."[9]

Unsatisfied with the said decision, petitioner came to this Court by way of a petition for review under Rule 45 of the Rules of Court; the case was docketed as G.R. No. 87980. In the Resolution of 27 November 1989, this Court denied the petition because of the petitioner's failure to show that the appellate court's decision is not supported by substantial evidence and that the conclusions therein are contrary to law and jurisprudence. This Court stated:

"A careful review of the petition shows that it has no merit. The decision of the respondent Regional Trial Court had long become final before the appeal to the Court of Appeals was made.

The Argument that Queen's Row owes GSIS certain sums of money was rejected by the two courts below because it was never raised during the trial and no evidence was presented on the matter. The respondent court correctly applied PD 1594 on government infrastructure contracts regarding progress payments and the withholding of retention money everytime a certain percentage of the work is completed. The housing units were constructed by the respondent and they have been sold by the GSIS to its members.

The argument of the petitioner that a separate action should be filed by the private respondent against GSIS was correctly rejected because the GSIS was a party to the case from the very start. As pointed out by the respondent, the legal compensation invoked by the GSIS whereby there would be compensation as between GSIS and Queen's Row was waived by the fact that GSIS made partial payments to Valencia."[10]

The motion to reconsider this Resolution was denied with finality in the Resolution of 15 January 1990.

Thereafter, respondent Valencia moved for the issuance of an alias writ of execution for the amount of FIVE MILLION SEVEN HUNDRED FIFTY NINE THOUSAND SIX HUNDRED SEVENTY SEVEN and 97/100 PESOS (P5,759,677.97). An opposition thereto was filed by the petitioner contesting only the amount due and payable, particularly the interests imposed therein. On 7 June 1990, the trial court issued an order the dispositive portion of which reads:

"WHEREFORE, premises considered, this court hereby orders GSIS to deposit in court or pay plaintiff the amounts of the principal at twelve (12%) per cent simple interest per annum and attorney's fees less payment already made within five (5) days from receipt hereof, otherwise, the Clerk of Court is directed to issue the corresponding alias writ of execution for the said amounts. GSIS is ordered, therefore, to pay the following amounts:

'a) P448,374.01 with simple interest from February 10, 1974 or 195.166 months up to May 15, 1990. At one percent (1%) (sic) a month, the interest would be:

$P448,374.01 \times .01 \times 195.166 \text{ months} = P875,073.$

'b) P204,821.32 with simple interest from September 13, 1976 or 164.066 months up to May 15, 1990. At one percent (1%) a month, the interest would be:

$P204,821.32 \times .01 \times 164.066 \text{ mos.} = P336,041.62 \text{ (sic).}$

'c) P102,866.33 with simple interest from Feb. 3, 1977 or 159.4 months up to May 15, 1990. At one percent (1%) a month, the interest would be:

$P102,866.33 \times .01 \times 159.4 \text{ mos.} = P163,968.40 \text{ (sic).}$

S U M M A R Y

Principal

Interest

Total

P448,374.01 P204,821.32 P102,866.37

P875,073.60 P336,041.62 P163,968.40

(sic)

(sic)

P756,061.70

P1,375,083.62

=

P2,131,145.32

Attorney's fees (20%)

Performance Bond

426,229.06

10,000.00

TOTAL

P2,567,374.06

This Order shall be without prejudice to whatever resolution that may be rendered by this Court on the issue of proper rate of interest.

SO ORDERED."[11]

The rate of interest was later fixed in the Supplemental Order of 10 September 1990 which directed the petitioner to pay the total amount of P11,363,304.27 -- arrived at by compounding interests ranging from twelve percent (12%) to twenty-one percent (21%) per annum allegedly in accordance with Central Bank Circulars Nos. 416, 494, 586 and 705 which fixed the maximum legal rate of interest at twelve percent (12%), seventeen percent (17%), nineteen percent (19%) and twenty-one percent (21%) per annum, respectively -- less the sum of P2,567,374.06.[12]

Its motion for reconsideration of the said supplemental order having been denied by the trial court in the Order of 5 December 1990, petitioner commenced before the respondent Court of Appeals a petition for certiorari and prohibition to seek the nullification of the Orders of 7 June 1990, 10 September 1990 and 5 December 1990. The petition was docketed as CA-G.R. SP No. 24021. On 28 June 1991, respondent Court promulgated its

decision[13] therein in favor of the petitioner:

"The Court, therefore, finds grave abuse of discretion in the trial court's orders requiring the petitioner to the payment (sic) of millions of pesos, in favor of the private respondent, Victor G. Valencia, without regard to the amount or amounts that it actually holds, if any, in favor of Queen's Row Subdivision, Inc. To do otherwise would violate the very judgment sought to be executed.

WHEREFORE, the orders of June 7, 1990, September 10, 1990 and December 5, 1990 are hereby SET ASIDE. The case is remanded for proceedings appropriate to determining how much funds the petitioner holds in favor of Queen's Row Subdivision, Inc., under paragraph 3 of the decision of March 3, [should be 2] 1982, beyond which amount, the petitioner cannot be held liable."[14]

The above decision is anchored on the following disquisitions:

"The merit in this petition flows from the language of the now long-final decision of March 3, [should be 2] 1982. The orders above-cited and complained of have evidently disregarded, ignored, and held inexistent, the clear language of the decision sought to be executed. The said judgment contains the following significant restricting and limiting clauses, namely:

(1) That the judgment for money resulting from the violated contract between respondent Victor G. Valencia and Queen's Row Subdivision, Inc. orders the latter to pay the former specific amounts stated in the judgment with 'legal rate of interest from the date of demands on February 10, 1974, September 13, 1976 and February 3, 1977 x x x.'

(2) The Government Service Insurance System is required to 'hold whatever amounts it has granted to, retained and obtained for defendant Queen's Row Subdivision, Inc. and deliver same to plaintiff by way of payment to the aforesaid amount ordered recovered by the plaintiff, the same to be credited as payment made by defendant Queen's Row. It is distinctly made clear that defendant GSIS shall not be personally liable for the said obligation of co-defendant Queen's Row, except, as herein above ordered; xx xx xx.'

It does not appear anywhere that the petitioner is in any manner contractually related to the private respondent, Victor G. Valencia. The petitioner, under the decision, is ordered to pay, not because it is principally and directly liable to the private respondent under the contracts between Queen's Row Subdivision, Inc. and respondent Victor G. Valencia, but because it had granted, retained and obtained funds for Queen's Row Subdivision, Inc. It is ordered to pay such funds and to deliver the same to respondent Victor G. Valencia which shall be credited as payment for the amounts recovered by the said private respondent. Strictly speaking, the petitioner has no standing questioning (sic) the rate of interest to be applied on the principals because only Queen's Row Subdivision may, since it is the latter's obligation that is being liquidated and paid for in this manner. The petitioner is not a debtor of Queen's Row Subdivision, Inc. and the decision sought to be executed does not say so. It is simply being ordered to pay the funds it holds for Queen's Row Subdivision, Inc. in order that the latter's indebtedness in favor of Victor G. Valencia may be paid fully, or partially.

But while the petitioner is ordered to pay whatever amounts Queen's Row is adjudged to pay, the judgment protects the petitioner by saying that it shall not be personally liable for the payment of the obligation of Queen's Row Subdivision, Inc., beyond whatever funds it holds for Queen's Row Subdivision, Inc. The judgment specifically limits the petitioner's liability to the extent of the amounts 'it has granted to be retained and obtained for defendant Queen's Row xx xx xx.' Therefore, there should be a preliminary inquiry into how much the petitioner holds for Queen's Row Subdivision, Inc.

The orders brought up for review simply order the petitioner to pay the principal amounts plus the computed interest without regard to the amount that the petitioner holds, retains or is granted in favor of Queen's Row

Subdivision, Inc. Beyond this amount, the trial court would be ordering the payment of the petitioner's 'personal' money, money that belongs to its thousands of members, thousands of small-salaried government employees. Their interests need protection also. The petitioner can, therefore, be ordered to pay the obligations of Queen's Row Subdivision, Inc. to the limit of what it holds, retains or has granted, in favor of Queen's Row Subdivision. Beyond this, it cannot be made to pay because that would be violative of the very judgment sought to be executed. There is no basis, therefore, for orders that would compel it to pay without regard to the amounts that it holds in favor of Queen's Row Subdivision, Inc. under paragraph 3 of the decision of March 3, [should be 2] 1982. There must be a previous inquiry into how much these funds amount to. This has not been made."[15]

On 12 July 1991, respondent Valencia sought the reconsideration of the above-quoted decision claiming that the petition filed before the appellate court (CA-G.R. SP No. 24021) is barred by a prior judgment and estoppel. The prior judgment alluded to is the decision of the Court of Appeals in CA-G.R. SP No. 09956 and the resolution of this Court in G.R. No. 87980, while the estoppel is based on the partial payment made by petitioner.

On 15 January 1992, the respondent Court promulgated the questioned resolution[16] reconsidering its 28 June 1991 Decision and dismissing the Petition for Certiorari and Prohibition, thus:

"WHEREFORE, the motion for reconsideration is hereby granted, the decision reconsidered, and the petition for certiorari and prohibition dismissed for lack of merit.

SO ORDERED."[17]

The Court of Appeals agreed with the private respondent's claim of res judicata or bar by prior judgment. It further observed that after making a partial payment in compliance with the trial court's Order of 7 June 1990 which set the interest at twelve percent (12%) per annum, petitioner can no longer assert that the interest should be at six percent (6%) per annum.

Dissatisfied with the respondent Court's findings, petitioner took this present recourse and assigns the following errors:

"1. THE RESPONDENT COURT OF APPEALS ERRED IN HOLDING THAT THE PRESENT PETITION IS BARRED BY PRIOR JUDGMENT AND ESTOPPEL.

2. THE RESPONDENT COURT OF APPEALS ERRED IN REVERSING ITS OWN DECISION PROMULGATED ON JUNE 28, 1991.

3. THE RESPONDENT COURT OF APPEALS ERRED WHEN IT FAILED TO RULE THAT PETITIONER CAN ONLY BE HELD TO PAY THE OBLIGATIONS OF QUEEN'S ROW SUBDIVISION, INC. TO RESPONDENT VALENCIA OUT OF RETENTIONS AND ONLY AT A SIX PERCENT (6%) SIMPLE INTEREST RATE PER ANNUM.

4. THE RESPONDENT COURT OF APPEALS MANIFESTLY OVERLOOKED CERTAIN RELEVANT FACTS NOT DISPUTED BY THE PARTIES AND, WHICH IF PROPERLY CONSIDERED, WOULD JUSTIFY A DIFFERENT CONCLUSION."[18]

Petitioner claims that res judicata does not apply in this case as the reliefs sought in CA-G.R. SP No. 24021 are distinct from those prayed for in G.R. No 87980. It avers that while the former questions the rate of interest imposed, the latter involves the issue of whether the petitioner is a creditor or a debtor of QRSI and the question of the sufficiency of the retained money in its possession. In CA-G.R. SP No. 24021, petitioner assailed the trial court's Orders of 7 June 1990, 10 September 1990 and 5 December 1990 because they vary the terms of the very decision sought to be enforced, particularly with respect to the rate of interest to be applied.

Petitioner argues further that the partial payment of the sum of P2,567,374.06 in favor of respondent Valencia does not ipso facto estop it from asserting that it can only be held liable for the aggregate amount of P3,373,391.77, the total amount retained by it in favor of QRSI.

On 25 May 1992, after the private respondent had filed his Comment[19] and the petitioner had submitted its Reply,[20] We resolved to give due course to the instant petition and required the parties to submit their respective Memoranda[21] which they subsequently complied with.

The main issue in this petition is whether or not respondent Court of Appeals committed reversible error when it made a sudden volte-face by reversing its own Decision of 28 June 1991 on the grounds of res judicata and estoppel. This in turn brings Us to the issue of whether or not the trial court acted without or in excess of jurisdiction, or with grave abuse of discretion when it ordered the petitioner to pay interests at various rates ranging from twelve percent (12%) to twenty-one percent (21%), pursuant to various circulars of the Central Bank, and attorney's fees.

We find merit in this petition. We rule for the petitioner.

Respondent Court erred in declaring, in the challenged resolution, that the judgments in CA-G.R. SP No. 09956 and G.R. No. 87980 bar, because of res judicata, CA-G.R. SP No. 24021, as these three (3) cases involve the same parties. In its own language, it avers:

"The petitioner's comment on the motion for reconsideration does not deny the grounds stated in the motion for reconsideration. It is, therefore, clear that the Court cannot tread over grounds that had already been covered in a previous litigation between the same parties, especially where the Highest Court of the land has made a final, binding and lasting ruling. x x x"[22]

After taking pains to read the records of G.R. No. 87980 and the decision of the Court of Appeals in CA-G.R. SP No. 09956 challenged therein, We agree with the petitioner that these rulings do not bar CA-G.R. SP No. 24021 because said prior judgments did not involve and did not rule on the rates of interest chargeable against the petitioner for the purpose of executing judgment. All that was ruled upon therein was that the trial court's judgment of 2 March 1982 is already final and executory since no motion for reconsideration or appeal was interposed within the reglementary period, that petitioner is holding more than enough funds for QRSI to pay for the latter's obligation to Valencia and Espiritu and that the petitioner's defense of legal compensation was deemed waived by the partial payment made on 26 November 1982. These matters are not sought to be relitigated in CA-G.R. SP No. 24021. As We see it, the latter merely seeks for a correct and proper execution of the Decision of 2 March 1982. Petitioner no longer questions the finality of the decision for as a matter of fact, it had already partially satisfied the portion thereof directed against it. The application then of the doctrine of res judicata is not called for. It is entirely irrelevant. Besides, the identity of parties which the respondent Court relied upon to justify the application of the doctrine is only one of three (3) identities prescribed by the fourth requisite of res judicata. These four (4) requisites are (1) the presence of a final former judgment, (2) the former judgment is by a court having jurisdiction over the subject matter and the parties, (3) the former judgment is a judgment on the merits and (4) there is, between the first and the second actions identity of parties, of subject matter and of causes of action.[23] Since a cause of action gives rise to issues, it logically follows that there must be identical issues. As heretofore stated, the issue raised in CA-G.R. SP No. 24021 is not identical with any of the issues posed and resolved in CA-G.R. SP No. 09956 and G.R. No. 87980.

The general rule is that an order of execution of a final judgment is not appealable. It is, however, recognized that this rule is subject to two (2) exceptions, viz., (1) when the order of execution varies or tends to vary the tenor of the judgment, and (2) when the terms of the judgment are not clear enough that there remains room for their

interpretation by the trial court. In such instances, the aggrieved party may appeal from the order of execution thus issued[24] or avail of any other proceeding appropriate and allowed under the Rules of Court -- such as the special civil action of certiorari under Rule 65 of the Rules of Court.[25] In the instant case, petitioner is of the honest opinion that the Orders of the trial court dated 7 June 1990 and 10 September 1990 upon which shall be based the subsequent alias writ of execution, fixing the rates of interest on the judgment amounts from twelve percent (12%) to twenty-one percent (21%) on the basis of various circulars of the Central Bank, vary the tenor of the judgment. Hence, it could seek remedy therefrom either by ordinary appeal, or by certiorari under Rule 65 of the Rules of Court; it chose the latter, the propriety of which is not challenged by the adverse party. The circumstances surrounding the issuance of the orders justify such choice. We agree with the petitioner that indeed, the said orders vary the tenor of the dispositive portion of the 2 March 1982 Decision with respect to the petitioner's specific liability thereunder, the rate of interest and, it may be added, attorney's fees. As against the petitioner, the dispositive portion merely provides:

"3. Requiring defendant GSIS to hold whatever amounts it has granted to, retained and obtained for defendant Queen's Row, and to deliver same to plaintiff by way of payment to the aforesaid amount ordered recovered by plaintiff, the same to be credited as payment made by defendant Queen's Row. It is distinctly made clear that defendant GSIS shall not be personally liable for the said obligation of co-defendant Queen's Row, except, as herein above-ordered; however, pending payment of the said claim of plaintiff, defendants are ordered to respect and satisfy the contractor's lien in favor of the plaintiff as provided for by law." [26]

It is clear from this disposition that the petitioner's liability is limited to the holding of whatever amount it "has granted to, retained and obtained for defendant Queen's Row" and the "delivery" thereof to Valencia "by way of payment to the aforesaid amount ordered recovered by" Valencia. Beyond such amount,[27] petitioner is no longer liable. It is precisely for this reason that the trial court explicitly incorporated a proviso that petitioner "shall not be personally liable for the said obligation of co-defendant Queen's Row, except, as herein above-ordered." Petitioner was not ordered to pay interest on the amount it was to hold and deliver to Valencia or to pay attorney's fees. The trial court cannot, therefore, without committing grave abuse of discretion, direct the petitioner to pay interest and attorney's fees. To do so would be to vary the tenor of the judgment against the latter and increase its liability, thereby rendering nugatory the above proviso. Such imposition would mean, as in this case, the delivery of money to Valencia in excess of that belonging to QRSI which the petitioner has been retaining. It is a settled general principle that a writ of execution must conform substantially to every essential particular of the judgment promulgated. Execution not in harmony with the judgment is bereft of validity. It must conform, more particularly, to that ordained or decreed in the dispositive portion of the decision.[28]

And even if We are to assume, for the sake of argument, that the amount held or retained by the petitioner for delivery to Valencia is more than enough to cover the sums adjudged against QRSI, the imposition of interest ranging from twelve percent (12%) to twenty-one percent (21%) per annum on said sum pursuant to the quoted Central Bank circulars, is not justified and warranted.

While it is true that with respect to the amounts adjudged against QRSI, enumerated in the first paragraph of the dispositive portion of the Decision of 2 March 1982, the trial court imposed thereon the "legal rate of interest from the date of demands on February 10, 1974, September 13, 1976 and February 3, 1977, for the first, second and third causes of action, respectively, "We agree with the petitioner that such legal rate refers to the legal rate provided for in Article 2209 of the Civil Code, which is six percent (6%) per annum.

Central Bank Circular No. 416, which prescribes interest at twelve percent (12%) per annum, does not apply in this case. We have held in a number of cases[29] that the said circular applies only to interest for loans or forbearances of any money, goods or credits or judgments in cases involving loans or forbearances of any money,

goods or credits. Any other monetary judgment which does not involve or which has nothing to do with loans or forbearances of any money, goods or credit does not fall within its coverage for such imposition is not within the ambit of the authority granted to the Central Bank. The instant case does not involve loans or forbearances of money, goods or credits.

Neither are Central Bank Circulars Nos. 494, 586, 705 and 783 applicable. The first prescribed ceilings on the rates of interest on loans and yields on purchases of instruments by banks and non-bank financial intermediaries. The second superseded the first while the third amended the latter by increasing the ceiling to a maximum of twenty-one percent (21%) per annum; the fourth fixed the effective rate of interest, including commissions, premiums, fees and other charges on loans or forbearances of money, goods or credit with a maturity of 730 days or less not exceeding sixteen percent (16%) per annum, for secured loans, and not exceeding eighteen percent (18%) per annum for unsecured loans. Beyond 730 days, the interest rate is not subject to any ceiling.

Accordingly, the respondent Court's Decision of 28 June 1991, the dispositive portion of which provides that:

"WHEREFORE, the orders of June 7, 1990, September 10, 1990 and December 5, 1990 are hereby SET ASIDE. The case is remanded for proceedings appropriate to determining how much funds the petitioner holds in favor of Queen's Row Subdivision, Inc., under paragraph 3 of the decision of March 3, [should be 2] 1982, beyond which amount, the petitioner cannot be held liable."

is in accord with the law and jurisprudence. Thus, the respondent Court erred in reversing itself via its challenged Resolution of 15 January 1992.

The private respondent's claim that the petitioner is estopped from questioning the twelve percent (12%) interest because it had made some payments is untenable. The petitioner is an instrumentality of the Government which functions as an administrative body. Its officials are public officials. The general rule is that the Government is not estopped by errors, mistakes or omissions of its officials or agents.^[30] This is especially true in the case of the petitioner because of the fiduciary character of its management which is "rendered more strict by the fact that the funds under its administration are partly contributed by the thousands upon thousands of employees and workers in all the branches and instrumentalities of the government."^[31]

WHEREFORE, the instant petition is GRANTED. The Resolution of respondent Court of 15 January 1992 in CA-G.R. SP No. 24021 is SET ASIDE and its Decision therein of 28 June 1991 is hereby REINSTATED and AFFIRMED.

This decision shall be immediately executory.

Costs against the private respondent.

SO ORDERED.

Gutierrez, Jr., (Chairman), Bidin, Romero, and Melo, JJ., concur.

[1] Rollo, 28-36.

[2] Id., 38-51.

[3] Rollo, 38-40.

[4] Civil Case No. BCV-79-38.

[5] Rollo, 95.

[6] Id., 96.

[7] Rollo, 28-29.

[8] Rollo, 29.

[9] Id.

[10] Rollo, 57.

[11] Rollo, 47-48.

[12] Id., 9; 48.

[13] Id., 38-51; per Associate Justice Nathanael P. De Pano, Jr., concurred in by Associate Justices Luis L. Victor (in lieu of Associate Justice Bonifacio A. Caceda, Jr.) and Fortunato A. Vailoces.

[14] Rollo, 51.

[15] Rollo, 49-51.

[16] Id., 28-36.

[17] Rollo, 36.

[18] Id., 11.

[19] Rollo, 56-65.

[20] Id., 68-77.

[21] Id., 80.

[22] Rollo, 35.

[23] Santos vs. Gabriel, 45 SCRA 288 [1972]; Viray vs. Mariñas, 49 SCRA 44 [1973]; Benin vs. Tuason, 57 SCRA 531 [1974]; Philippine Commercial and Industrial Bank vs. Pfeider, 65 SCRA 13 [1975]; Gutierrez vs. Court of Appeals, 193 SCRA 437 [1991]; Nabus vs. Court of Appeals, 193 SCRA 732 [1991].

[24] Castro vs. Surtida, 87 Phil. 166 [1950]; Socco vs. Vda. de Leary, 12 SCRA 326 [1964]; Corpus vs. Alikpala, 22 SCRA 104 [1968]; Uytiepo vs. Aggabao, 35 SCRA 186 [1970]; Heirs of Juan Francisco vs. Muñoz-Palma, 37 SCRA 753 [1971].

[25] Romero vs. Court of Appeals, 40 SCRA 172 [1971].

[26] Rollo, 39-40.

[27] Petitioner claims that it is only to the extent of P3,373,391.77; Id., 19.

[28] Paylago vs. Nicolas, 189 SCRA 727, 733 [1990], citing Philippine Virginia Tobacco Administration vs. Gonzales, 92 SCRA 172 [1979]; Gabaya vs. Mendoza, 113 SCRA 400 [1982]; Pamantasan Ng Lungsod Ng Maynila vs. Intermediate Appellate Court, 143 SCRA 311 [1986]; Laingco vs. Camilo, 130 SCRA 144 [1984].

[29] Reformina vs. Tomol, 139 SCRA 260 [1985]; Philippine Rabbit Bus Lines, Inc. vs. Cruz, 143 SCRA 158 [1986]; Meridian Assurance Corp. vs. Dayrit, 184 SCRA 20 [1990]; Philippine Virginia Tobacco Administration vs. Tensuan, 188 SCRA 628 [1990]; FNCB Finance vs. Estavillo, 192 SCRA 514 [1990].

[30] Beronilla vs. Government Service Insurance System, 36 SCRA 44, 55 [1970], citing Republic vs. PLDT, 26

SCRA 620 [1969]; Pineda vs. CFI of Tayabas, 52 Phil. 803 [1929]; Benguet Consolidated Mining Co. vs. Pineda, 98 Phil. 711 [1956]; Republic vs. Philippine Rabbit Bus Lines, Inc., 32 SCRA 211 [1970].

[31] Beronilla vs. Government Service Insurance System, *supra.*, at page 53.

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