

**SPS. JOSE S. VELASQUEZ AND JUSTINA ADVINCULA-VELASQUEZ,
PETITIONERS, VS. SPS. MARTIN NERY AND LEONCIA DE LEON NERY;
AND ROSARIO LORENZO, SALUD RODRIGUEZ, VDA. DE LORENZO,
MARIAN...**

G.R. No. 64284. July 03, 1992

Ponente: NOCON, J.

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NOCON, J.:

Petitioners Jose Velasquez and Justina Velasquez are the agricultural lessees of a certain riceland consisting of 51,538 square meters, situated at Sitio Malaking Kahoy, Bo. Ibayo, Parañaque, Metro Manila. The subject property was originally possessed and claimed by respondent Martin Nery. In an action for annulment and reconveyance, the Supreme Court finally decide[1] and declared in 1972, that private respondents Lorenzos are co-owners of the land together with Martin Nery. They applied for the confirmation of their title with the then Court of First Instance of Rizal and the parcel of land was subsequently registered under TCT No. 64132. The title was issued in the name of following respondents, spouses Martin Nery and Leoncia de Leon Nery, Salud Rodriguez, Gertrudes de Leon, Rosario, Mariano, Pacifico, Onofre, Loloy, Trinidad, Dionisio, Perfecto, Maria Rebecca, Asuncion, Mauro and Lourdes all surnamed Lorenzo.

In 1978, respondents Lorenzos filed an action for partition against their co-owners Martin and Leoncia Nery which was docketed as Civil Case No. 5313-P before the Court of First Instance of Rizal, Pasay City Branch. In a compromise agreement[2] submitted by the parties, the latter agreed to sell the said land to respondent Delta Motors Corporation.

On August 24, 1979, petitioner Jose B. Velasquez, in his capacity as agricultural leasehold tenant, filed an action before the then Court of Agrarian Relations against private respondents, which was docketed as CAR Case No. 42, 6th Regional District, Branch I, Quezon City for the redemption of the subject property, as he has information that the said land is offered for sale.

On January 25, 1980, private respondent Delta Motor Corporation purchased the subject property for P2,319,210.00, evidenced by a Deed of Sale[3] and was issued TCT No. 26486 by the Register of Deeds of Metro Manila on March 4, 1980.

Petitioner Jose S. Velasquez seeks to redeem the said land from Delta Motors for the sum of P8,800.00 anchoring his right under Presidential Decree No. 27.

The then Court of Agrarian Relations rendered a decision dismissing the complaint on the ground that the reasonable value of the land is P2,319,210.00 and not P8,800.00, the dispositive portion of which reads:

"Foregoing premises considered, judgment is hereby rendered:

1. Dismissing the instant action for lack of interest on plaintiff's part to redeem the land in question at its

acquisition price in the amount of P2,319,210.00, which we find reasonable;

2. Directing defendants to maintain plaintiff as agricultural lessee in the peaceful possession and enjoyment of the land subject matter of this litigation containing an area of 51,538 square meters, more or less, covered by TCT No. 64132 and to respect the rights accorded to him as such by law.

3. Directing the Clerk of Court, this Court, (sic) to return to plaintiff the amount of P600.00 which he consigned with the Court as part of the redemption price for the land in question covered by OR No. 2402913 dated June 13, 1980.

4. Dismissing all other claims and counterclaims for lack of evidence in support thereof."[4]

Petitioner appealed the case to the then Intermediate Appellate Court, which affirmed the decision of the lower court, as follows:

"IN VIEW WHEREOF, the appeals interposed by the plaintiffs (sic) and the defendants Martin Nery, Leoncia de Leon Nery, Dionisio, Perfecto, Maria, Rebecca, Lourdes, Asuncion and Mauro, all surnamed Lorenzo, are both dismissed for lack of merit. We affirm in toto the Decision in CAR Case No. 42."[5]

Not satisfied with the decision of the appellate court, petitioners now elevated the case to this court in a petition for review on certiorari.

We find no merit in the instant petition.

The issues raised by the petitioners before Us is but a reiteration of the issues they have raised before the defunct Court of Agrarian Relations and the then Intermediate Appellate Court. The main issue in the instant case however, is whether or not the subject property is covered by Presidential Decree No. 27 or Republic Act 6389.

Petitioners contend that they should be declared owners of the land pursuant to Presidential Decree No. 27. But as aptly found by the Court of Agrarian Relations, the land in question is not covered by Operation Land Transfer.[6]

The agricultural land involved in this case consists of 51,538 square meters or about 5.15 hectares. The retention limit provided by P.D. No. 27 is seven (7) hectares. The law provides:

"In all cases, the landowner may retain an area of not more than seven (7) hectares if such landowner is cultivating such area or will now cultivate it."

Clearly, the property in question is not covered by P.D. No. 27 but by Section 12 of RA 6389, as amended, which provides:

"In case the landholding is sold to a third person without the knowledge of the agricultural lessee, the latter shall have the right to redeem the same at a reasonable price and consideration x x x. The redemption price shall be the reasonable price of the land at the time of the sale."

Thus, in its discussion as to what is the "reasonable price" as provided under Section 12 of RA 6389, the Intermediate Appellate Court stated:

"Under this Section, the redemption price shall be the "reasonable price" of the land at the time of the sale. We are not convinced that the price of P2,319,210.00 fixed by the court at quo (sic) as redemption price is unreasonable. The subject land consisting of 51,538 square meters is located in Parañaque, Metro Manila, near the South Diversion Road, surrounded by residential subdivisions and by industrial firms. The above-quoted price is the same amount paid by Delta Motors Corporation to the other defendants. There is no showing that the price is a product of collusion between Delta Motors and the other defendants."[7]

We agree with the findings of the defunct Court of Agrarian Relations and the then Intermediate Appellate Court,

that the reasonable redemption price of the land is P2,319,210, which is the amount or consideration at the time of the sale.

Petitioners claim that the transfer of the land by the respondents Nery and Lorenzo's in favor of Delta Motor Corporation is null and void ab initio on the ground that the transfer was not accompanied by an affidavit of non-tenancy as required by Republic Act 6389 and Circular No. 31 of the Department of Justice. What militates against this claim of the petitioners is the evidence borne by the records that the transfer was effected through a judgment[8] of the respondent lower court in a civil case, and not through a sale as envisioned by Republic Act No. 6389. Though the date of the sale was earlier than the date of the judgment, it is correct to say that the transfer was effected through a judgment, because the sale must be approved by the court, considering the pendency of a case (partition) before the court that issued the judgment. Moreover, there is nothing in the Act declaring any sale or transfer as null and void ab initio when the sale was without the knowledge of the lessee. As a matter of fact, Republic Act No. 6389 states the remedy available to the agricultural lessee, the petitioners herein, which is to redeem the land based on the reasonable price at the time of the sale and not to seek the declaration of nullity of the alleged sale.

Further, the review sought by petitioners does not fall under any of the grounds warranting the exercise of this Court's discretionary power. The matter of what is the reasonable redemption price being factual, precludes this Court from reviewing the factual findings of the appellate court. The findings and conclusions of the Intermediate Appellate Court that the sum of P2, 319,210 is the "reasonable price" is supported by evidence. The land being located in Parañaque, surrounded by residential subdivisions and industrial firms near the South Diversion road are factors in determining its reasonable price for sale or for redemption as in the instant case. It is the established doctrine in this jurisdiction supported by unbroken line of decisions that such findings of facts and conclusions can not be reviewed on appeal by certiorari.[9]

As a general rule, the findings of facts of the Court of Agrarian Relations will not be disturbed on appeal where there is substantial evidence to support the same and all that this Court is called upon to do insofar as the evidence is concerned, is to find out if the conclusion of the lower court is supported by "substantial evidence".[10] Substantial evidence in support of the findings of the Court of Agrarian Relations does not necessarily import preponderant evidence as is required in ordinary civil cases. Substantial evidence has been defined to be such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, and its absence is not shown by stressing that there is contrary evidence on record, direct or circumstantial, for the appellate court cannot substitute its own judgment or criterion for that of the trial court in determining wherein lies the weight of evidence or what evidence is entitled to belief.[11]

Noteworthy mentioning is that the Philippine National Bank (PNB), although not a party to the instant case, has extra-judicially foreclosed the subject property, and will consolidate its ownership thereof if private respondent Delta Motor Corporation does not redeem the same within one year. Still, petitioners are protected in their rights as agricultural lessees pursuant to Section 10 of Republic Act No. 3844, as amended, which provides:

"Sec. 10. Agricultural Leasehold Relation Not Extinguished by Expiration of Period, etc. - The agricultural leasehold relation under this Code shall not be extinguished by mere expiration of the term or period in a leasehold contract nor by the sale, alienation or transfer of the legal possession of the landholding. In case the agricultural lessor, sells, alienates or transfers the legal possession of the landholding, the purchaser or transferee thereof shall be subrogated to the rights and substitutes to the obligations of the agricultural lessor."

Because of the extra-judicial foreclosure of the mortgage over the subject property by the Philippine National Bank, the present case has become moot and academic with regard to petitioner's claim against Delta Motor Corporation. It is now the PNB or its subsequent transferees from whom the petitioners must redeem, if and when

PNB decides to sell or alienate the subject property in the future, and of course subject to the provisions of the 1975 Revised Charter of the Philippine National Bank.[12]

WHEREFORE, the instant petition for review on certiorari is hereby DISMISSED and the appealed decision of the then Intermediate Appellate Court which affirmed the decision of the defunct Court of Agrarian Relations is hereby AFFIRMED. Costs against petitioners.

SO ORDERED.

Narvasa, C.J., (Chairman), Paras, Padilla, and Regalado, JJ., concur.

[1] Nery vs. Lorenzo, Nos. L-23096 and L-23376, 44 SCRA 431, (1972).

[2] Rollo, p. 60.

[3] Annex "A", Rollo, pp. 55-58.

[4] CAR Case No. 42 – Parañaque, Rollo, pp. 89-101.

[5] AC-G.R. SP No. 13984-CAR, entitled Jose S. Velasquez vs. Sps. Martin Nery and Leoncia, de Leon et. al., J. Reynato Puno, ponente; J. Nestor Alampay and J. Carolina Griño-Aquino, concurring. Rollo, pp.103-110.

[6] CAR Decision, p. 12, Rollo, p. 100, Intermediate Appellate Court Decision, p. 7, Rollo, p. 109.

[7] Decision, p.8, Rollo, p. 110.

[8] Annex "C", Rollo, pp. 60-63.

[9] Miranda vs. Court of Appeals, G.R. No. 46064, 177 SCRA 303 (1989); People vs. Sison, G.R. No. 86455, 189 SCRA 643, (1990); Reynolds Philippine Corporation vs. Court of Appeals, G.R. No. 36187, 169 SCRA 220, (1989); Pajunar vs. Court of Appeals, G.R. No. 47981, 175 SCRA 552, (1989).

[10] Bagsican vs. CA, L-62255, 141 SCRA 226, (1986).

[11] Picardal vs. Lladas, L-21309, 21 SCRA 1483, (1967).

[12] Presidential Decree 694, as amended.

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